

# **Auction of 3G and BWA Spectrum**

## **Queries & Responses**

**Government of India  
Ministry of Communications & Information Technology  
Department of Telecommunications**

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No	Query	Response
1.	To ensure a successful auction and a healthy 3G business for operators, the Government could offer a range of financial incentives far more than those already reflected in the IM or suggested in media stories (e.g. auction fee can be depreciated over life of the licence). What further incentives will the Government offer?	The Government is evaluating the proposal of allowing treatment of upfront auction price as a capital asset for the purpose of tax depreciation. The Government has already relaxed ECB guidelines for the Auctions.
2.	What plans does DoT have on auctioning LTE and other 4G bands?	These are under consideration of DoT, but will be based on a number of factors such as spectrum availability, technology evolution etc. More details cannot be provided at this stage.
3.	Currently, TRAI is deliberating a number of recommendations on spectrum assignment and allocation, some of which may directly impact the business case and deployment case for 3G. Will the revised IM reflect some of the issues that TRAI is deliberating and the DoT stance on the recommendations?	As per usual procedure TRAI will consider inputs from stakeholders and submit recommendations to the Government, which will then consider these issues and formulate policy, where appropriate. In case there are any changes in Government policy, these will be duly communicated. However, the current Auction timelines are not linked to the TRAI consultation process on spectrum management.
4.	Will DoT mandate MVNO and roaming for losing operators in this round of the auction as has happened in other markets where 3G slots are less than number of existing operators?	At present, mandatory roaming or mandatory MVNO is not part of the Government's telecoms policy.
5.	Will a successful bidder in this round of the auction be allowed to get more than 5MHz of 3G spectrum - either through M&A or by participating in the next round of the auction?	Successful Bidders may be allowed to get more than 5MHz of 3G spectrum, subject to other guidelines (more specifically Merger & Acquisition guidelines and minimum competition criteria). However it may be noted that a Successful Bidder can only win one block of 2X5MHz of 3G Spectrum in the current Auctions.

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No	Query	Response
6.	When will the next round of 3G auction take place?	<p>There is no schedule for the next round of 3G Auction drawn up at present. Timing of future Auctions will be at the sole discretion of the Government, after considering multiple factors such as consumer and industry needs, technological changes and availability of spectrum.</p> <p>It may be noted that if a further round of Auction for 3G or BWA spectrum takes place within 12 months from the current round, the Reserve Price in such a round will be the same as the Winning Price in the current round for the respective service area.</p>
7.	What will be termination charges for 3G services? How will the MTC be impacted given the huge additional capacity of 3G networks?	The current MTC guidelines will apply for 3G services as well, unless otherwise revised by TRAI.
8.	There are no EVDO spectrum slots in key circles e.g. Mumbai, Delhi, Maharashtra etc. This completely kills the 3G business case for CDMA operators. How does DoT propose to correct this anomaly?	Auction for spectrum in the 800MHz band is not part of the current process. Auctions in the 2.1GHz band are open for both GSM and CDMA operators.
9.	For BWA, the availability has been reduced from 3 slots to 2 slots now. It is proposed that all 3 slots should be auctioned now and the third operator could be put in waiting list and spectrum be allotted whenever it becomes available.	The Government has already examined the issue and taken a decision to auction 2 slots of BWA Spectrum at present, unless more spectrum becomes available or interference issues are resolved in the 2.5GHz band. The Government is keen to auction only spectrum that is currently available and not maintain a waitlist.
10.	When will winners be allotted 3G/BWA spectrum?	Please refer Section 4.6 of the Notice Inviting Applications for details. The Successful Bidders will be allowed to commercially use 3G Spectrum from 1 <sup>st</sup> September 2010.

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No	Query	Response
11.	Please clarify 3G roaming is mandated or whether it will be a bilateral decision between operators?	At present, mandatory roaming is not part of the Government's telecoms policy. Roaming arrangements are based on bilateral decision between operators.
12.	Will intra circle roaming be allowed in areas where an operator does not have a 3G network?	Intra-circle roaming will be governed by the UAS/ CMTS licence provisions and applicable Government regulations.
13.	Will the MNP be applicable to 3G customers as well?	Yes.
14.	Will the fee deposited be refunded immediately after the auctions, if we are not successful; will it carry interest for delay in refund?	The Application Fee is non-refundable. The Bank Guarantee for EMD will be refunded to unsuccessful Bidders at the earliest, after deducting any pending dues with respect to the Auction from the Bidder. However, no interest will be payable for any delay in refund.
15.	What will be the procedure for withdrawal from bidding midway?	Withdrawal of Applications will be allowed up to seven calendar days before the scheduled start of the Auctions. Withdrawal of Bids is not permitted.
16.	Whether the benefits of Sec 80IA of the IT Act be extended to 3G license and rollout as well?	The current Auctions is for the auction of spectrum (and not licence), hence Section 80IA of the IT Act will not be applicable.
17.	Whether the ECB guidelines will be amended to seek long term funding for 3G in its entirety including bid fees? We will not be able to raise ECB funding for the fee payment since the number of circles and bid amounts are not known. We need to do a bridge funding and then replace bridge funding with long term ECB funding. ECB guidelines do not allow for refinancing the bridge funding. This should be provided as an exception.	ECB guidelines have been amended to allow for a re-financing within 12 months, subject to other terms. Please refer to the Government press release dated, 22 <sup>nd</sup> January, 2010 in this regard.

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No	Query	Response
18.	When does the revenue share of the license fees commence on 3G - from the date of allocation of spectrum or actual launch of 3G services in the circle?	Annual spectrum charges shall be applicable from the date of award of right to use allotted spectrum commercially. However, there shall be a moratorium of one year from this date on the payment of spectrum charges for the stand-alone 3G as well as 3G + BWA operators (i.e. winners of 3G (and BWA, if applicable) Spectrum who do not hold 2G spectrum). The moratorium of one year shall not be applicable to operators holding 2G + 3G Spectrum. However, it is clarified that this revenue share is on account of spectrum charges, since the current Auction is an auction of spectrum. Revenue share for licence fees are payable as per the conditions of the applicable UAS/ CMTS licences and any amendments thereof.
19.	If any bidder up prices to unreasonable levels and later refuses to pay, as per the current provisions only the earnest money deposit will be forfeited. The earnest money deposits is a relatively small amount in the whole scheme of this auction. We believe there needs to be a more stringent penalty for such irresponsible behaviour.	The quantum of Earnest Money Deposit has been decided by the Government. However please note that the liability of any Bidder is not limited to a forfeiture of EMD (aggregate EMD deposited by the Bidder, not restricted to the EMD corresponding to the service area where the Bidder has defaulted), and the Government will continue to have the right to take other actions including claiming consequential damages for any violation of Auction rules or default on payment terms.

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No	Query	Response
20.	<p>The activity points are not in multiples of the lowest value and will lead to loss of flexibility for the operator during the auction. E.g. current activity points for A circles is 32 points, B circle is 12 points &amp; C circle is 3 points. Thus, if at any point of time (after activity rule is set at 100%) a bidder withdraws from one of the A category circles but puts in bid for 2 B category circle he would have lost 8 points of activity. Thus, later if he would have wanted to withdraw from 2 B category circle and bid for one A category circle, he would not be eligible for doing so. Thus it is suggested that activity points be made in multiples (e.g. A category circle 32 points, B category circles 16 points &amp; C category circles 4 points)</p>	<p>Activity Points have been kept proportional to the Reserve Price. An Auction Activity Requirement raised in stages to 100% will provide additional flexibility for bidders to switch between Service Areas.</p>
21.	<p>We assume that EAS will provide downloadable results files after each bidding round. Please confirm that this is the case and provide sample result files asap. If result files are not available, please provide sample html screens showing exactly how the bidding results will be displayed on the EAS screens</p>	<p>EAS will provide downloadable results files. Please refer the presentation on Auction Rules made at the pre-bid conference for an indicative sample of result files. More details will be provided in due course.</p>
22.	<p>There are news reports on 11/11/2009 that mention the possibility of 4 blocks of spectrum in most circles, including Delhi. DoT to clarify such possibility along with the frequency details, as this can influence the bidding strategies of the participants. Also DoT to clarify timelines for spectrum availability in circles where it is less than 4 blocks.</p>	<p>Details of spectrum available are being validated. Final details regarding spectrum being auctioned will be contained in the Notice Inviting Applications.</p>
23.	<p>What are the timelines for availability of next round of spectrum circle-wise? This input is equally important for the operators to formalize their bidding strategies.</p>	<p>Definitive information on this is presently not available.</p>

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No	Query	Response
24.	Will the 3G spectrum be allowed for providing long distance or short distance backhaul services?	Provision of services is governed by the licence held by the service provider. The current Auctions are for spectrum, not for service licences.
25.	When 2 companies belong to the same parent bids for 3G and BWA, respectively, please confirm if the pre-qualification process shall be carried out separately for these companies since 3G and BWA are distinct auctions by themselves.	Yes.
26.	What is the possibility of spectrum becoming available in locations where it is currently not available and timelines for the same?	Please refer the Notice Inviting Applications for details on spectrum being auctioned. Definitive information on availability of more spectrum is presently not available.
27.	As the auction of spectrum is planned in 800Mhz only, which is currently being used by CDMA operators, what is the DoT's policy to meet the growing needs 2G service of current CDMA operators?	Auction for spectrum in the 800MHz band is not part of the current process.
28.	As the IM mentions that there are upto 2 blocks of 1.25MHz spectrum in 800 MHz, with one put for auction, does it mean that one block of spectrum of 1.25Mhz is already given to MTNL / BSNL? If so, what are the allocation details and how does the DoT plan to ensure parity in spectrum allotment take place in all circles for other SP's also.	Auction for spectrum in the 800MHz band is not part of the current process.

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No	Query	Response
29.	The IM does not make any reference to spectrum allotment in the 1900 MHz band; whereas this was one of the bands earlier mentioned in the 3G policy dated 1 Aug, 2008. In fact, AUSPI had successfully conducted co-existence trials between CDMA in 1900 MHz and UMTS in 2.1GHz. DoT to clarify policy on allotment of spectrum in 1900 MHz band; this forms an important input to the auction strategies of the operators and also serves as an extension band for the CDMA operations, which is equally important.	No decision has yet been taken by the Government to auction spectrum in the 1900MHz band at this stage.
30.	What are the timelines for availability of spectrum in 2.5GHz band?	This information is presently not available. The Government is working to expedite the availability.
31.	Can auction take place now for 2.5 GHz and spectrum be allocated upon availability? If yes, what would be the timelines for this?	The Government has already examined the issue and taken a decision to auction only 2 slots of BWA spectrum at present, unless more spectrum becomes available or interference issues are resolved in the 2.5GHz band. A decision on the Auction of 2.5GHz spectrum will be taken only after the outstanding issues of interference with the Mobile Satellite System of the Department of Space are resolved.
32.	Worldwide, spectrum in 2.5GHz band has gained larger acceptance and has more evolved ecosystem compared with 2.3Ghz, though both are well suited for BWA services. But given that current auction is limited to 2.3Ghz only, it is unlikely that a fair value would be derived for 2.5 GHz in this auction. What rationale is being used for payment of BWA spectrum by MTNL and BSNL, who happen to already own spectrum in 2.5Ghz by comparing with what may be derived for spectrum in 2.3 GHz? Ideally they should pay more for spectrum obtained in 2.5GHz!	The Government will take a final decision on the price to be paid by BSNL/ MTNL in due course.

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No	Query	Response
33.	MTNL / BSNL allot in 2.5GHz have FDD allocations in no. of circles. Given that Govt's objective is better and efficient utilization of overall spectrum, it is in the interest of the country that this is regulated to TDD. This will also help spectrum availability in these circles, which in turn will lead to increased cash flows to the exchequer. What action is DoT taking towards this regularization and what timelines?	The DoT is working on this issue and aims to reach a resolution soon.
34.	Does the BWA license allow use of voice to be offered by the BWA operators? Even in VoIP form?	There is no BWA licence. Service conditions including allowing Internet Telephony will depend on whether the winner of the BWA spectrum holds UAS or ISP licence (and the type of ISP licence).
35.	Can BWA operator work as last-mile for an UASL, wherein the UASL terminates traffic to PSTN through his UASL network?	The range of services that can be offered on the BWA spectrum will be governed by the type of service licence held by the operator.
36.	What is restricted telephony (as given in pg 32)?	Internet Telephony Service, as currently permitted to ISPs holding the relevant licence.

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No	Query	Response
37.	<p>As these entrants will require an UASL, and which in turn means allotment of up to 4.4 MHz or 2.5MHz of spectrum, depending on whether the interest is in GSM or CDMA has identified the 2G spectrum to be allotted to these entrants? How does this allotment take place, when there are no. of existing applications, either for the default allotment or for expansion are still pending?</p>	<p>The matter is sub-judice and the Bidders are advised to use their own judgement. However, the following points may be noted:</p> <ul style="list-style-type: none"><li>- Existing UAS licensees who have not yet been allocated start-up spectrum will have priority over any potential new entrant;</li><li>- In respect of UAS applicants before October, 1, 2007 who have not yet been awarded licences, there is a recent judgement of the Delhi High Court, which may imply that such applicants be awarded UAS licences prior to any potential new entrants. DoT has opposed this judgement and has filed a SLP in the Supreme Court;</li><li>- TRAI is currently carrying out a consultation on “Overall Spectrum Management and review of licence terms and conditions”. This consultation process, and any policy changes as a consequence of TRAI recommendations, may also have a bearing on this issue.</li></ul>
38.	<p>Suppose a foreign player acquires 3G spectrum in a certain circle and later on acquires stake in an existing UASL player, will the 3G spectrum by the foreign player be usable for the Indian entity. Assuming the partner also has won 3G spectrum, will the entity therefore become eligible for 10MHz of 3G spectrum. If yes to either of these two questions, it might lead to potential gaming opportunities in the auction and needs to be taken care of.</p>	<p>A successful new entrant is allowed to acquire stake in an existing UAS licensee (subject to adherence to the M&amp;A guidelines) and nominate the UAS licensee for award of 3G spectrum. Combination of 2 blocks of 3G spectrum will be subject to M&amp;A guidelines including minimum competition requirements, which the government may specify from time to time.</p>

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No	Query	Response
39.	Please provide clarity on modus operandi for extension of UASL / CMTS that may expire during the license term of 3G / BWA spectrum period. What would be the terms & conditions for extension?	Please refer Section 3.6 of the Notice Inviting Applications. In so far as the validity of the UAS/ CMTS licence for using 3G/ BWA spectrum is concerned, the extension will be without any charges. Terms and conditions for extension of validity of service licence in respect of the usage of any other spectrum have not yet been decided, and will be communicated in due course by the Government.
40.	Given that active and passive sharing are allowed and also considering the fact that convergence of technologies and services is taking place, can BWA and 3G/800Mhz license share active RAN? Even in the same circles? This will save costs to operators and can lead to affordable services to customers.	Ability to share infrastructure will be governed by the current licence conditions and infrastructure sharing guidelines. No separate provision for usage of 3G/ BWA spectrum is contemplated. The sharing arrangements should however be on arms-length basis and accurately reported to the DoT.
41.	What are the timelines for implementation of MVNO? Are MVNO's allowed for BWA and 3G services or is the policy agnostic to underlying technology use?	The MVNO policy is under consideration and will be communicated in due course.
42.	MVNO & internet technology: In the pre-bid conference held on 23 Jan 2009, it was articulated that MVNO and internet telephony policies would be announced before the spectrum auction, request you to kindly give an update on the same.	The MVNO Policy and the Internet Telephony Policy are under consideration and will be communicated in due course.
43.	Will award of 2G start-up spectrum to new entrants (who win 3G auctions and apply for UAS Licenses) affect existing UASL licensees' claim on spectrum in the circles where start-up spectrum has not yet been assigned to these UASL licensees?	Start-up spectrum will be provided to existing UAS licensees on priority basis, if and where this has not been done already. Timing for this would be subject to availability of 2G spectrum.

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No	Query	Response
44.	<p>In Delhi, for example, * is yet to receive start-up 2G spectrum. In the absence of clarity on when the spectrum will be assigned to us we are unable to prepare a cogent 3G bidding strategy for Delhi. This puts us at serious disadvantage with respect to operators who already hold 2G spectrum in Delhi. We query therefore :</p> <ul style="list-style-type: none"><li>- When will 2G start-up spectrum be assigned to us in Delhi?</li><li>- What measures is the government taking to assign it to us before the 3G bidding opens, in order to mitigate the disadvantage referred to above?</li></ul>	<p>Start-up spectrum will be provided to existing UAS licensees on priority basis, if and where this has not been done already. Timing for this would be subject to availability of 2G spectrum.</p>
45.	<p>Clarity on Government's decision on TRAI recommendations of August, 2008 pertaining to MVNO policy and Internet Telephony policy.</p>	<p>The MVNO Policy and the Internet Telephony Policy are under consideration and will be communicated in due course.</p>
46.	<p>Clarity on Road Map for 2G spectrum extension to be co-terminus with 3G spectrum validity.</p>	<p>Terms and conditions for extension of validity of service licence for usage of 2G spectrum have not been finalised yet.</p>
47.	<p>Clarity on The issues raised in the TRAI's Consultation Paper dated October 16, 2009 on Spectrum Management and Licensing Terms and Conditions, particularly;</p> <ul style="list-style-type: none"><li>- Government approach to re-farming of the spectrum allocated in the 2G Bands.</li><li>- Timeframe for auction of Digital Dividend Band.</li><li>- Review of M&amp;A guidelines.</li><li>- Migration to Uniform Annual Spectrum charge regime.</li></ul>	<p>As per usual procedure TRAI will consider inputs from stakeholders and submit recommendations to the Government, which will then consider these issues and formulate policy, where appropriate. In case there are any changes in Government policy, these will be duly communicated. However, the current Auction timelines are not linked to the TRAI consultation process on spectrum management.</p>

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No	Query	Response
48.	<p>DoT order No. 842-725/2005-VAS/269 dated 12th June 2008 allows intra-circle roaming amongst UASL licensees. After 3G auctions not all existing UASL licensees will hold 3G spectrum in any licensed areas due to the limited 3G blocks on offer. Will customers of UASL licenses who do not hold 3G spectrum be allowed to roam on the 3G networks of other UASLs in the same licensed area? Furthermore, till such time as more 3G blocks are released into the market, will it not be customer friendly for the government to mandate that 3G spectrum holders allow the customers of operators not holding 3G spectrum in the same licensed area to roam on their networks under an administered pricing mechanism?</p>	<p>The roaming policy is applicable to the licences and not to specific spectrum bands. Hence, roaming will be permitted. However, at present, mandatory roaming or MVNO is not part of the Government's telecoms policy.</p>
49.	<p>Press reports have mentioned that additional slots have been made available for the current 3G auction thereby making four slots available for auction in Delhi, UP (West) and HP, three slots available for auction in West Bengal and two slots available for auction in Rajasthan and North East Circles. Is there a possibility that the numbers of slots available for auction in the above circles, as notified in the Information Memorandum, will be revised upwards before the auction?</p>	<p>Details of spectrum available are being validated. Final details regarding spectrum being auctioned will be contained in the Notice Inviting Applications.</p>
50.	<p>The value of the 2100 MHz spectrum for auction now depends upon the timing for availability of further 3G blocks.</p> <ol style="list-style-type: none"><li>1. How many additional blocks will eventually be made available in each circle?</li><li>2. What is the likely timeline for the auction of additional blocks?</li><li>3. Can the reserve price for further blocks be lower than the winning prices in this auction?</li><li>4. Will auction winners be allowed to bid for additional blocks in subsequent auctions?</li></ol>	<ol style="list-style-type: none"><li>1. Information on availability of additional blocks is not currently available, though efforts are on to coordinate more spectrum in the 2.1GHz band from other users.</li><li>2. There is no schedule for the next round of 3G Auction drawn up at present. Timing of future Auctions will be at the sole discretion of the Government, after considering multiple factors such as consumer and industry needs, technological changes and availability of spectrum.</li></ol>

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No	Query	Response
		<p>3. If a further round of Auction for 3G or BWA spectrum takes place within 12 months from the current round, the Reserve Price in such a round will be the same as the Winning Price in the current round for the respective service area.</p> <p>4. Successful bidders in the current auction may be allowed to bid for more 3G spectrum in future auctions, subject to M&amp;A guidelines and minimum competition criteria being met in the relevant circles.</p>
51.	Table of page 43 of the Information Memorandum quotes “proposed charges as percentage of AGR”. Are these likely to be changed before being notified? When will the notification be done?	Please refer the Notice Inviting Applications for finalised details on annual spectrum charges.
52.	What is the annual spectrum usage charge for the operator who holds only 3G spectrum?	Such players will be covered under the first slab (3%).
53.	In case a UASL licensee does not succeed in 3G Bid auction in any service area, will he continue to pay the annual spectrum charges at the prevailing rates for 2G services?	In case a UASL licensee does not succeed in the 3G or BWA Auctions in any service area, it will continue to pay the annual spectrum charges at the prevailing rates for 2G services, which may be revised from time to time.
54.	According to the recent TRAI consultation paper, spectrum in the 1900 MHz band may be auctioned for 3G. Are any of the blocks being auctioned in 2100 MHz blocks adjacent to the said 1900 MHz blocks? If so, is an adequate guard band being provided, which does not eat into the 2x5 MHz of 2100 MHz block being auctioned?	No decision has yet been taken by the Government to auction spectrum in the 1900MHz band at this stage. Efforts will be made to limit interference issues across different bands.

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No	Query	Response
55.	<p>The value of the 2300 MHz spectrum for auction now depends upon the timing for availability of further licenses.</p> <ol style="list-style-type: none"><li>1. How many additional blocks will eventually be made available in each circle?</li><li>2. What is the likely timeline for the auction of additional blocks?</li><li>3. Existing UASLs are allowed to bid for BWA spectrum. Such UASLs have been allocated number series for their customers under the license. Will the government permit such licensees to use BWA spectrum for providing their customers voice services within the already allocated number series?</li></ol>	<ol style="list-style-type: none"><li>1. This information is presently not available. However, it may be noted that efforts are on to release one block of spectrum in the 2.5GHz band.</li><li>2. This information is presently not available.</li><li>3. BWA technologies enable high speed data communications over wireless links. Present guidelines in respective licences on Internet Telephony shall apply.</li></ol> <p>The Government is working on additional number series for operators, and will try to make more available for newer services to the extent required.</p>
56.	<p><b>Related to 2,600 MHz spectrum</b></p> <ol style="list-style-type: none"><li>1. How many blocks will eventually be made available in the 2600 MHz band in each circle?</li><li>2. What is the likely timeline for the auction of 2600 MHz spectrum?</li><li>3. Will they be unpaired as indicated in the 2008 Information Memorandum, or is DoT considering the auction of paired blocks?</li></ol>	<ol style="list-style-type: none"><li>1. The Government has taken a decision to auction only 2 slots of BWA spectrum at present, unless more spectrum becomes available or interference issues are resolved in the 2.5GHz band. A decision on the Auction of 2.5GHz spectrum will be taken only after the outstanding issues of interference with the Mobile Satellite System of the Department of Space are resolved.</li><li>2. It is not possible to indicate a timeline at present.</li><li>3. These are expected to be unpaired, but a final decision would be taken prior to any award of spectrum.</li></ol>

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No	Query	Response
57.	<b>Related to backhaul spectrum</b> 1. How much spectrum will be made available to each winner, and in which bands?	Please refer Section 2.3 of the Notice Inviting Applications. Subject to the usual procedures, terms and conditions, and applicable charges, the WPC shall allot spectrum for Microwave backbone (in the below 10GHz band) and Microwave access (in the above 10GHz band; shared environment) to the winners of spectrum in the current Auctions, subject to availability. However, it must be noted that these frequencies are not part of the Auctions, are not bundled with the 3G Spectrum or the BWA Spectrum and payment of the Successful Bid Amount does not grant usage rights to such backhaul spectrum. Separate charges as applicable are payable for backhaul spectrum. Allotment of backhaul spectrum is a facilitating step that the Government proposes to undertake, without providing any binding commitment for the same.
58.	<b>Related to 3G auction rules</b> 1. As per Para 8.3.2, the bidder to check and submit the bid, regardless of whether he is making the new bid or maintaining its bids on the block where it is the provisional winning bidder; at the same time the paragraph also says that there will no tick-box shown for that operator to make a new bid. In that case, how is the bidder supposed to check and submit the bid? 2. Why has the Assignment Round modified from open bidding to random allocation? 3. Request additional clarification on last paragraph on page 68, relating to increase in the Clock round prices where provisional winning price at the end of previous clock round is equal to the clock round. 4. In the event of Bidder suspecting the unauthorized release of the password, during a clock round, what is the procedure for changing the password & how same shall be communicated?	1. The tick box will not be shown for a particular service area if the Bidder is a Provisional Winning Bidder at the current clock round price. However, other information in respect of the circle, as well as other circles, will continue to be visible in the Bid form. In the event that a Bidder can make no bids in any service area, a “no bid” decision must still be entered into the EAS to avoid the bidder triggering an extension of the round. 2. The Government retains the right to reassign frequencies at a later date, in the interest of efficient distribution of spectrum. 3. If the Provisional Winning Price at the end of any round is lower than the Clock Round price in that round, it implies that there is strictly less demand at the current Clock Round price than the blocks available in the service area. Hence, in such cases, the Clock Round price will

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
		<p>not increase in the next round.</p> <p>4. These details will be provided in the User Manual to be released to Applicants.</p>
59.	<p>Is the spectrum for auction (as specified in the IM) actually available for allocation immediately after the auction? or will it be made available later? The IM mentions that Government is validating the frequency available across circles for the auction and final details of the frequencies to be auctioned will be notified in the notice? If the spectrum be made available later, what is the duration from the day of awarding the license?</p>	<p>Details of spectrum available are being validated. Final details regarding spectrum being auctioned will be contained in the Notice Inviting Applications.</p> <p>Please refer Section 4.6 of the Notice Inviting Applications for details. The Successful Bidders will be allowed to commercially use 3G Spectrum from 1<sup>st</sup> September 2010.</p> <p>Please refer Section 3.6 of the Notice Inviting Applications for details on duration of the right to use the spectrum.</p>
60.	<p>What is the roadmap for future 3G spectrum allocation for the existing 3G players (successful bidders) beyond 5MHz? Will there be any cap on the maximum number of service providers in a service area?</p>	<p>The Government may allocate 3G Spectrum in the future through competitive auction processes only. Successful bidders in the current auction may be allowed to bid for more 3G Spectrum in future auctions, subject to M&amp;A guidelines and minimum competition criteria being met in the relevant circles.</p> <p>The current regulations do not impose any cap on the maximum number of service providers in a service area.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
61.	Will the additional spectrum be auctioned as soon as it is available or would there be a minimum timeframe (say 3 years) before the next auction? Will it be based on subscriber based criteria?	There is no schedule for the next round of 3G Auction drawn up at present. Timing of future Auctions will be at the sole discretion of the Government, after considering multiple factors such as consumer and industry needs, technological changes and availability of spectrum. If a further round of Auction for 3G or BWA spectrum takes place within 12 months from the current round, the Reserve Price in such a round will be the same as the Winning Price in the current round for the respective service area.
62.	Additional spectrum available in future will be for new or existing operators or for both? How the future 3G spectrum is envisaged to be given to an existing operator, will it be subscriber linked or further auction will take place? In case it is for both, will preference be given to existing 3G players	Additional spectrum will be for both new and existing operators. The Government may allocate 3G Spectrum in the future through competitive auction processes only. Successful bidders in the current auction may be allowed to bid for more 3G Spectrum in future auctions, subject to M&A guidelines and minimum competition criteria being met in the relevant circles. No preference is expected to be given to existing 3G players.
63.	Will bidders participating in current 3G/ BWA/ 800 MHz auction be allowed to bid in the next auction? (if any)	Successful bidders in the current auction may be allowed to bid for more spectrum in future auctions, subject to minimum competition criteria being met in the relevant circles.
64.	When are guidelines for relaxation in ECB for BWA expected to be notified?	Please refer to the recent modifications to the ECB guidelines.
65.	Since the government “strongly encourages” infrastructure sharing, both passive & active, are there any restrictions envisaged on the operators?	DoT has issued infrastructure sharing guidelines from time to time. Please refer the same for restrictions envisaged on the operators.
66.	One of the 3G auction objectives is resolving congestion issues of 2G. What does this imply for the additional 2G spectrum to be allotted in future and the mechanism for such allocation?	2G spectrum allocation guidelines are in the public domain and should be referred to. Amendments, if any, will be notified in due course.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
67.	Can an existing GSM operator (not offering CDMA services currently) bid for spectrum in 800 MHz (and provide CDMA based services) in accordance with UASL? UASL license is technology neutral. Why is the IM differentiating the CDMA and GSM technology for the purpose of 800 MHz auctions? It is mentioned in the IM that at the time of commercial launch the technology maybe disclosed.	Auction for spectrum in the 800MHz band is not part of the current process.
68.	Why are only existing CDMA operators allowed to bid for 800 MHz (when no such restriction in 3G & BWA auction)?	Auction for spectrum in the 800MHz band is not part of the current process.
69.	Clause 1.1.4 & 1.1.5 specifies services for 3G and BWA, respectively. However, there is no reference of services for 800 MHz? Request to specify the services to be offered for the 800 MHz too?	Clauses 1.1.4 & 1.1.5 are indicative description for 3G and BWA services, respectively, and are not meant to restrict or govern the use of the spectrum to be auctioned. Services to be offered in any spectrum band is governed by the conditions of the service licence.
70.	While 2.1 GHz has been specified for 3G and 2.3 GHz has been specified for BWA, there is no category for 800 MHz.	This query is not clear. Services to be offered in any spectrum band are governed by the conditions of the service licence. Nomenclatures have been used for simplifying documents only.
71.	“Spectrum usage rights shall be awarded separately for specific service areas”. Please clarify	Spectrum usage rights are based on the provisions of the applicable licence and the licences are specific to a service area. The auction is for the award of spectrum only, while award of licence is a separate process.
72.	To which entity BWA license will be given in case a company has both 'UAS' & ISP - Category A license?	The Successful Bidder will be allowed to determine the licence that it wishes to use for award of BWA spectrum.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
73.	A CDMA operator can bid for 3G, 800 MHz & BWA spectrum while GSM operators or others can bid for only 3G and BWA. Since a CDMA operator can get 1 block each of 3G, 800 MHz & BWA spectrum, how will level playing field be ensured for GSM and CDMA operators?	Auction for spectrum in the 800MHz band is not part of the current process.
74.	When does the 800 MHz spectrum auction start? The IM states that 800 MHz and BWA spectrum auction start 2 days from the close of 3G auction? Does that mean that 800 MHz & BWA auction happen simultaneously? If not, what would be the sequence?	Auction for spectrum in the 800MHz band is not part of the current process.
75.	What is the future availability of 800 MHz spectrum?	There are constraints on the availability of additional 800MHz spectrum in several service areas.
76.	How will additional 800 MHz spectrum be allocated to all existing operators? Will all be allowed to participate in subsequent auctions?	Auction for spectrum in the 800MHz band is not part of the current process.
77.	In circles where less than 4 slots (for 3G) are currently available, when & how is the allocation of balance slots envisaged? What is the maximum number of service providers in a service area?	<p>There is no schedule for the next round of 3G Auction drawn up at present. Timing of future Auctions will be at the sole discretion of the Government, after considering multiple factors such as consumer and industry needs, technological changes and availability of spectrum.</p> <p>There are no existing regulations regarding maximum number of service providers in a service area.</p>
78.	What is the date of submission of EMBG - is it by 21st December 2009 (the application date)	The EMBG needs to be submitted along with the Application.
79.	Confirm whether we need to present separate sets of EMBG for 3G and BWA bids.	Yes.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
80.	Confirm the validity of EMBG as 6 months only (the format of DoT states it can be extended to additional six months on request of DoT).	The validity of EMBG is required to be till 31 <sup>st</sup> December, 2010, extendable at the request of DoT for an additional six months.
81.	Application fee of Rs. 100,000 is payable as per clause 7.2.4 - is it separately needed for 3G and BWA or a single payment? Separate for each applying entity - *, *, *?	<p>Application fee is required separately for each of the Auctions.</p> <p>The Application Fee is payable by the single Group Bidding Entity (different entities from the same Group are not allowed to put in separate applications for the same Auction).</p>
82.	How will backhaul spectrum be allocated post winning the 3G & BWA auction?	Please refer Section 2.3 of the Notice Inviting Applications. Subject to the usual procedures, terms and conditions, and applicable charges, the WPC shall allot spectrum for Microwave backbone (in the below 10GHz band) and Microwave access (in the above 10GHz band; shared environment) to the winners of spectrum in the current Auctions, subject to availability. However, it must be noted that these frequencies are not part of the Auctions, are not bundled with the 3G Spectrum or the BWA Spectrum and payment of the Successful Bid Amount does not grant usage rights to such backhaul spectrum. Separate charges as applicable are payable for backhaul spectrum.
83.	What is the availability of backhaul spectrum since the success of 3G & BWA applications require significantly more backhaul capacity than 2G?	Please refer to Section 2.3 of the Notice Inviting Applications. Subject to the usual procedures, terms and conditions, and applicable charges, the WPC shall allot spectrum for Microwave backbone (in the below 10GHz band) and Microwave access (in the above 10GHz band; shared environment) to the winners of spectrum in the current Auctions, subject to availability.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
84.	When and how much of backhaul spectrum will be allocated for 3G & BWA? Please confirm if there is any additional fee for the same?	Please refer Section 2.3 of the Notice Inviting Applications. Subject to the usual procedures, terms and conditions, and applicable charges, the WPC shall allot spectrum for Microwave backbone (in the below 10GHz band) and Microwave access (in the above 10GHz band; shared environment) to the winners of spectrum in the current Auctions, subject to availability. Additional fees would be payable as per the terms and conditions of award of such spectrum.
85.	Can an operator offer GSM/ 3G in 800 MHz band since there are no restrictions on the technology to be adopted for providing services in the 3G Spectrum or the 800MHz Spectrum or the BWA Spectrum? If yes, why is 800 MHz auction restricted to UAS-CDMA operators only?	Auction for spectrum in the 800MHz band is not part of the current process.
86.	Can a UAS licensee who wins the BWA spectrum provide voice? When is VoIP termination on PSTN envisaged by DoT?	UAS licensee who wins BWA spectrum can offer any services currently allowed under the UAS licence.  The Government cannot commit on timelines for change in regulations.
87.	Can a UAS licensee having GSM spectrum apply for 800MHz spectrum?	Auction for spectrum in the 800MHz band is not part of the current process.
88.	Can a swap be allowed from CDMA to 3G in the 800 MHz band?	Auction for spectrum in the 800MHz band is not part of the current process.
89.	When is the likelihood of auction of frequency on 2.5 GHz band and at what price?	A decision on the Auction of 2.5GHz spectrum will be taken only after the outstanding issues of interference with the Mobile Satellite System of the Department of Space are resolved. No timelines can be committed to at this stage.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
90.	In case a foreign player wins 3G spectrum, will they be given preference in allocation of 2G spectrum post acquisition of UASL?	<p>Allocation of 2G spectrum, if applicable, will be as per prevailing guidelines at that time. It may be noted that certain aspects relating to 2G spectrum allocation are sub-judice and the Bidders are advised to use their own judgement. However, the following points may be noted:</p> <ul style="list-style-type: none"><li>- Existing UAS licensees who have not yet been allocated start-up spectrum will have priority over any potential new entrant;</li><li>- In respect of UAS applicants before October, 1, 2007 who have not yet been awarded licences, there is a recent judgement of the Delhi High Court, which may imply that such applicants be awarded UAS licences prior to any potential new entrants. DoT has opposed this judgement and has filed a SLP in the Supreme Court;</li><li>- TRAI is currently carrying out a consultation on “Overall Spectrum Management and review of licence terms and conditions”. This consultation process, and any policy changes as a consequence of TRAI recommendations, may also have a bearing on this issue.</li></ul>

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## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
91.	<p>How would 2G spectrum be allocated to a new operator who wins in 3G auction? Will the new 3G operator get start-up spectrum over the existing queue of the 2G operators, or the new 3G operators will get the 2G spectrum after allocation of the existing operators who are already in queue? or will it be in an open auction for allocation of 2G spectrum?</p>	<p>Allocation of 2G spectrum, if applicable, will be as per prevailing guidelines at that time. It may be noted that certain aspects relating to 2G spectrum allocation are sub-judice and the Bidders are advised to use their own judgement. However, the following points may be noted:</p> <ul style="list-style-type: none"><li>- Existing UAS licensees who have not yet been allocated start-up spectrum will have priority over any potential new entrant;</li><li>- In respect of UAS applicants before October, 1, 2007 who have not yet been awarded licences, there is a recent judgement of the Delhi High Court, which may imply that such applicants be awarded UAS licences prior to any potential new entrants. DoT has opposed this judgement and has filed a SLP in the Supreme Court;</li><li>- TRAI is currently carrying out a consultation on “Overall Spectrum Management and review of licence terms and conditions”. This consultation process, and any policy changes as a consequence of TRAI recommendations, may also have a bearing on this issue.</li></ul>
92.	<p>Is there a time limit for acquiring UAS licenses after the 3G auction? What happens to the spectrum won by the new operator, if he fails to or does not acquire the UASL within the stipulated time? Can a foreign player along with its Indian arm bid simultaneously and independently in the same auction?</p>	<p>The Successful Bidder will need to submit its completed application form for a UAS licence within 3 months of being declared as Successful Bidder.</p> <p>If the bidder fails to obtain a UAS licence, such spectrum will be auctioned separately.</p> <p>Only one bidder is allowed per Group and therefore only one of the entities will be allowed to participate in the Auction.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
93.	In case of 3G, a period of 5 years is given extendable by 1 year (by paying LDs) to fulfil the rollout obligations, but for BWA the period is 5 years with no extension. Kindly confirm if the understanding is right?	Yes.
94.	Please define rural SDCA? Under what circumstances Spectrum needs to be surrendered apart from non-fulfilment of rollout obligation.	Short Distance Charging Areas is defined as per the definition used by the Census of India. Rural SDCA is defined as an area where 50% of the population lives in the rural areas based on prevailing census data.  Please refer relevant licence conditions and Section 3.7 of the Notice for circumstances in which spectrum may need to be surrendered.
95.	What will the annual spectrum charges are for: a. 2G + 800 MHz b. standalone 3G operator c. 2G + BWA d. 2G + 3G + BWA e. 2G + 800 MHz + BWA f. 2G + 3G + BWA + 800 MHz	Please refer Section 3.5 of the Notice Inviting Applications for details about annual spectrum charges for operators who win 3G Spectrum or BWA Spectrum as part of the current Auctions. The section provides details of applicable annual spectrum charges for spectrum obtained under each of the Auctions and held under different licence categories.
96.	Under the spectrum usage charges (section 5.5, page 43); spectrum in 800 MHz band is categorized as 2G. Does this imply that an existing CDMA operator will not pay any additional spectrum charges for acquiring of spectrum through this auction? & why?	Auction for spectrum in the 800MHz band is not part of the current process.
97.	Does this imply that the 800 MHz auction is 2G auction?	Auction for spectrum in the 800MHz band is not part of the current process.
98.	The IM document name refers only 3G & BWA auction guidelines! Why there is no mention of 800 MHz in IM title, and no categorization like 3G/ BWA?	Services to be offered in any spectrum band is governed by the conditions of the service licence. Nomenclatures have been used for simplifying document only.  Auction for spectrum in the 800MHz band is not part of the current process.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
99.	Under the spectrum usage charges (section 5.5, page 43); the 800 MHz band is classified in 2G services. Will the proposed spectrum auctioned in 800 MHz band be allowed to run "high bandwidth intensive applications/ services" that are classified as 3G?	Permissible usage of spectrum is governed by the licence conditions.
100.	As per the ISP license conditions, gross revenue includes revenue from internet telephony services. Is internet telephony allowed for ISP- 'A'?	Please refer to the draft standard ISP - A licence and applicable Government guidelines for services allowed under the licence.
101.	If existing 2G operator becomes the successful bidder of 3G spectrum, and in case of 2G UASL expiring interim period, how will the right to use 2G spectrum be treated? Can 2G UASL license be clubbed with 3G and get extended automatically to 20 years from the date of allocation of the 3G spectrum? Will there be additional fee for renewal of 2G spectrum? B) What is the mechanism for the renewal?	Extension of the right to use any spectrum other than 3G Spectrum associated with the UAS licence and terms thereof will be specified in due course.  2G UASL licence cannot be clubbed with 3G and get extended to 20 years from the date of allocation of the 3G spectrum. Mechanism for renewal will be specified in due course.
102.	How will the spectrum be treated in case an operator surrenders/ forfeits 3G spectrum after the current auctions?	Such spectrum will be auctioned separately.
103.	Government intends to introduce intra-service area MNP in a phased manner. There is no mention of MVNO & ICR in 3G? Also, are there any plans to extend active sharing to the core as well?	The MVNO policy is under consideration and will be communicated in due course.  The provision for ICR is as applicable to the service licence, and is not different for/ specific to the spectrum being currently auctioned.  Please refer to infrastructure sharing guidelines and any modifications thereof from time to time for extent of active sharing.
104.	Mobile termination charge needs to be considered as the same may not be equivalent to 2G termination.	The current MTC guidelines will apply for 3G services as well, unless otherwise revised by TRAI.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
105.	<p>Under the M&amp;A guidelines, the guidelines state that:</p> <p>a. The merger should not result in less than three operators in the service area. Does this include standalone 3G operator as a separate operator.</p> <p>b. In case the merged entity holds excess spectrum (based on the subscriber-linked criteria for spectrum), the excess spectrum will need to be surrendered. Will the 3G spectrum be added to 2G spectrum for calculation under the subscriber linked criteria?</p> <p>c. Prior approval of the DoT would be required for merger of licenses and any permission for mergers shall be accorded only after completion of three years from effective date of the licenses. Is there a restriction on the date for 3G spectrum allocation as well?</p>	<p>a. Standalone 3G operator is treated as a separate operator.</p> <p>b. 3G spectrum will not be added to 2G spectrum for calculation under the subscriber linked criteria. However, till such time as the DoT notifies otherwise, 3G Spectrum in excess of 1 block shall be treated as excess spectrum.</p> <p>c. Current M&amp;A guidelines will apply, and are subject to amendment from time to time. The restrictions apply with respect to date of award of licence, whereas the current Auctions is only for award of spectrum.</p>
106.	<p>Is a registered power of attorney required for the signatories of documents from associated licensees?</p>	<p>Yes.</p>
107.	<p>Can the Directors of the Associate Licensee giving the joint undertaking to nominate group bidding entity and the Directors of the group bidding entity for the same undertaking be same?</p>	<p>Yes.</p>
108.	<p>In the first clock round, operators A and B submit bids for all circles and their total amount of bid submitted is equal. Is it that through random allocation A is ranked 1 in all circles and B is ranked 2 in all circles or this random ranking can change in different circles (some circles A is ranked 1 and in some its 2)</p>	<p>Ranking is specific to a circle.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
109.	The applications ask for Share capital and net worth as of the last audited annual accounts which should not be more than 12 months old, in case a company has a December ending and the notice for application gets delayed to post December, it will not be able to meet the criteria as the audit would not have been complete, can the company provide the data as per last audited accounts?	Please provide data as per last audited accounts, as well as data as of a more recent date certified by the Company Secretary or authorised signatory.
110.	Will the govt. allocate USO fund to the operators for 3G/ BWA rollout in rural areas? How will this allocation be done?	There is no such proposal at present.
111.	Is cross-over CDMA spectrum available to GSM operators? What is the applicable fee?	Please refer to the Press Release issued by the Department of Telecommunications on 19 <sup>th</sup> October, 2007. A copy is available on the DoT website.
112.	Is In-band EVDO permitted?	Permissible usage of spectrum is governed by the licence conditions.
113.	When is the likely roll-out of the 3G MVNO policy and when is it likely to be implemented? Given the current UAS License regime, is it possible for a 2G MNO to operate a 3G-only MVNO service in a given circle. Will the existing regulations around MVNO be applicable for a 3G-only MVNO?	The MVNO policy is under consideration and will be communicated in due course.
114.	When is the likely roll-out of the 3G ICR guidelines and when is it likely to be implemented?	ICR guidelines are already provided by the DoT. These guidelines pertain to licence conditions and are not specific to spectrum. Please refer to the current ICR guidelines, and any amendments thereof.
115.	Any details on treatment of 3G spectrum fees as CAPEX which can be depreciated over the tenure of license?	This matter is under consideration of the Government. Final decision on this will be notified in due course.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
116.	When two companies belong to the same Parent bids for 3G and BWA, respectively, please confirm if the pre-qualification process shall be carried out separately for these companies since 3G and BWA are separate and distinct auctions by themselves.	Yes.
117.	Please clarify that when the bidder applies for all service areas, is it sufficient for the bidder to make the bid in one of the services area in the First Clock Round or the bidder has to bid in all service areas in the first clock round	Yes, however, the ability to bid in subsequent rounds will be limited by the Activity Rules restrictions.
118.	Please clarify whether a bidder has to forego the earnest money deposited when he eventually bids for less eligibility points in the First Clock Round than he has initially applied for?	No, the Bidder has to bid in at least one circle in the first round, else it will forfeit the EMD.
119.	Please explain how the Activity Requirement will progress from 80% to 90% then to 100%?	It will be a function of overall activity levels and will be determined by the Auctioneer. Typically, the Auctioneer will provide some notice to Bidders before the activity levels are changed.
120.	It is assumed that complete 20 MHz auctioned spectrum would be made available to the Operators for providing service and guard band will be separate. It is also assumed that this will be clarified and communicated to all operators well in advance of the spectrum auction along with the notice.	There will be no separate guard bands; these are part of the 20MHz spectrum being auctioned.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
121.	<p>Please clarify</p> <ol style="list-style-type: none"><li>1. Whether similar process that is currently followed for GSM and CDMA Service Providers shall also apply to ISPs.</li><li>2. What quantum / band of Micro wave spots and when the same will be allotted to the BWA operators after winning the spectrum</li><li>3. Whether the AGR based spectrum charges for Micro wave access and backbone networks will apply to ISPs.</li><li>4. whether the moratorium of the license fee will also be applicable for Microwave spectrum for the standalone BWA operators</li></ol>	<ol style="list-style-type: none"><li>1. The query is not clear.</li><li>2. Please refer to Section 2.3 of the Notice Inviting Applications. Subject to the usual procedures, terms and conditions, and applicable charges, the WPC shall allot spectrum for Microwave backbone (in the below 10GHz band) and Microwave access (in the above 10GHz band; shared environment) to the winners of spectrum in the current Auctions, subject to availability.</li><li>3. Current norm for spectrum charges would apply for ISPs while AGR based spectrum charges will apply for UAS licensees.</li><li>4. No, moratorium will not be applicable for Microwave spectrum for the standalone BWA operators. It is further clarified that no moratorium is proposed in respect of <u>licence fee</u> for standalone BWA operators. The moratorium is only in respect of the annual spectrum charges on BWA spectrum.</li></ol>
122.	<p>Please clarify the reasoning for different set of rollout obligations for BWA and 3G spectrum and why the rollout obligations are more stringent for BWA spectrum than 3G spectrum.</p>	<p>Auction for BWA and 3G spectrum are independent of each other and conditions cannot be linked for these.</p>
123.	<p>In case of 3G, if the rollout obligations are not met, they are allowed a further period of one year to meet the rollout obligations by making a payment of 2.5% of its successful bid amount whereas in case of BWA, the spectrum assignment would be withdrawn, please clarify why the one year further rollout extension period and 2.5% of the successful bid amount cannot be applied for BWA operators as well?</p>	<p>Auction for BWA and 3G spectrum are independent of each other and conditions cannot be linked for these.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
124.	<p>In 2.3 GHz band spectrum it is seen that there are many unused slots available in between, they are kept unused intentionally or these are already allocated for some other applications. It is requested that the allocation details of other existing users in the 2.3GHz band along with the usage may kindly be provided to assess any possible interference issue owing to FDD application in these unused slots in future.</p>	<p>The adjoining frequencies in the 2.3GHz band are being utilised by Government departments and PSUs. It is not possible to share more details currently. Interference issues are not likely to arise in this band. It may be noted that the 20MHz of spectrum is inclusive of guard band.</p>
125.	<p>Guard band issue: It has been mentioned in para 4.1 that Government is validating the frequency available across circles for the auction. In the earlier Information Memorandum, the details BWA spectrum to be auctioned in 2.3-2.4 GHz was given, in which the gap between the lots is less than 5 MHz in few circles (Delhi, Mumbai, Maharashtra, Gujarat, AP, Karnataka, TN, Kerala, HP, Assam and North East).</p> <p>It is recommended by the vendors, the minimum guard band required between the two blocks and operators is 5 MHz with filters to avoid interference between the Operators. In case of limited guard band (less than 5 MHz) regulator to ensure that the successful bidders shall synchronizes networks with GPS clock with same PPS (Pulse per second) as well as Down link, uplink TDD ratio and any technical requirement that may arise to mitigate interference. Please clarify whether this issue would be addressed while issuing the Notice to the Auction.</p>	<p>The spectrum being auctioned is inclusive of guard band. Efforts are being made to limit interference issues across different bands.</p>
126.	<p>Please clarify whether there will be any limitation on Transmit EIRP power (in dB W) for WiMax BTS in 2.3 GHz band for?</p>	<p>Yes, these will be based on the licence conditions.</p>

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## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
127.	More Clarity required on BWA roll out obligations % SDCA roll out with in 3 years / 5 years - will be Area based or population based.	Short Distance Charging Areas is defined as per the definition used by the Census of India. Rural SDCA is defined as an area where 50% of the population lives in the rural areas based on prevailing census data. There are no roll out obligations within 3 years.
128.	MVNO & Internet Telephony: In the Pre-bid conference held on 23rd Jan 2009, it was articulated that VNO and Internet Telephony policies would be announced before the spectrum auction, request you to kindly give an update on the same?	The MVNO Policy and the Internet Telephony Policy are under consideration and will be communicated in due course.
129.	In the previous IM, the spectrum bands at 2.3 GHz and 2.5 GHz were stated for each service area. In the most recent version dated 23 Oct 2009 no longer contains details for the 2.3 GHz freq. bands.  1. Please advise the frequency bands which will be allocated in the 2.3 GHz BWA auction for each service area. 2. Please also advise whether these bands are free from interference 3. Please also advise what guard band arrangement are to prevent interference from adjacent bands.	1. These details will be provided in the Notice Inviting Applications.  2. Frequencies included in the current Auction are expected to be free from interference.  3. Guard bands are included in the frequencies being auctioned.
130.	Section 5.4.2. of the IM states that (for Category A, B, C services areas) that the licensee shall ensure at least 50% of the rural SDCAs are covered within 5 years of the effective date  1. Please advise the meaning of “rural SDCA’s” 2. Please advise the meaning of “...are covered..”? Are there any quality indicators defined?	1. SDCA is defined as per the definition used by the Census of India. Rural SDCA is defined as an area where 50% of the population lives in the rural areas based on prevailing census data.  2. Service, as per applicable Licence conditions, shall be available for use in areas which are covered.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
131.	<p>Section 7.2.3 of the IM states that the Bank Guarantee for the earnest money deposit should be valid for 6 months (and extendable for a further period of 6 months)</p> <p>1. Please advise the reasoning behind the 6 month requirement. 2. Please advise what will happen to the deposit, in the event of delay to the auction</p>	<p>1. The EMD should be valid till 31st December, 2010, extendable upon DoT's request, for an additional six months.</p> <p>2. No delays are envisaged after issue of Notice. In case of substantive delays, the EMDs will be returned to bidders.</p>
132.	<p>Our interpretation of section 10.3.3 of the IM is that the earnest money deposit per eligibility point now varies depending on the service area type</p> <p>e.g. Delhi , Mumbai Category A - Rs.0.625 crore / point Kolkata &amp; Category B - Rs. 0.833 crore / point Category C - Rs. 1.25 crore / point</p> <p>1. Please confirm if our interpretation is correct 2. Please confirm if eligibility points can be used for bidding on any circle?</p> <p>e.g. a bidder puts a Rs.20 crore deposit for one A circle, can it bid for 1 B circle and 6 C circles (total eligibility points requirement = 30) in the 1st round?</p>	<p>1. Yes. Initial eligibility will be determined by the Earnest Money Deposit and will equal the greatest eligibility amongst combinations of service areas for which bids can be made within the deposit requirements.</p> <p>2. Yes. However, for a bid to be valid, both the Eligibility Points criteria and the EMD criteria must be satisfied for the set of circles where the Bidders has put in a bid (or is a provisional winning bidder from the previous round). In the example cited in the query the EMD criteria is getting violated since the aggregate EMD required for bidding in 6 C circles and 1 B circle in the BWA Auction is Rs32.5cr. Hence, such a bid will not be valid. Please refer the Notice Inviting Applications for further clarification on this.</p>
133.	<p>Have any new blocks been made available /vacated by Defence for the forthcoming auctions?</p>	<p>Details on spectrum available are being validated. Final details regarding spectrum being auctioned are provided in the Notice Inviting Applications.</p>
134.	<p>Will the decision on relaxation of ECB guidelines for BWA and amortization of auction fee for tax purposes be taken before the auctions take place?</p>	<p>The ECB guidelines have recently been amended to allow ECB financing for the Auctions. Amortization of auction price for tax purposes is under consideration and any decision will be communicated at the earliest. It is not possible to commit a timeline.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
135.	What will be the spectrum usage charges for: a. A standalone 3G entity? b. An entity having 2G GSM, 2G CDMA, 3G & BWA spectrum? c. An entity having 2G + 3G and BWA spectrum? d. An entity having 2G GSM & 2G CDMA spectrum and wins spectrum in 3G, BWA and 800MHz?	Please refer response to Q 95.
136.	In case a UASL/CMSP wins BWA spectrum, will the BWA revenues be segregated for the purpose of levying spectrum usage charges?	Yes.
137.	In the earlier Information Memorandum, it was specified that spectrum be given in the assignment stage through a single stage bid process. In the revised memorandum, it is stated that assignment will be done randomly by software and further that the Government reserves the right to change this allocation. What is the reason for the change in the assignment criteria? What if bidders want to acquire a particular frequency spot?	In the interest of efficient allocation of spectrum in future (e.g. offering additional spectrum in adjacent bands to the same operator), the Government reserves the right to change the frequency allocation.
138.	On the issue of rollout obligations, a. What will be the “required” coverage to be met at street level? b. Will spectrum be withdrawn if there is a partial fulfilment of rollout obligations? This would not be in public interest.	a. Please refer UAS licence amendment nos. 842-320-VAS-II (Vol. III)/27 and 842-320-VAS-II (Vol. III)/28 dated 10th February, 2009. Copies are available on the DoT website. b. Yes.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
139.	<p>As regards the UAS License for a new entity,</p> <p>a) What will be the entry fee for a UAS License for a new entity who wins the 3G bid?</p> <p>b) Will the UAS License carry with it a bundled allocation of initial 2G spectrum?</p> <p>c) Is the UAS License intended to be de-linked from spectrum? Will the final decision on this be taken before the 3G auctions?</p>	<p>a) Please refer extant UAS guidelines for the applicable entry fee for a UAS licence.</p> <p>b) As per the current guidelines, the UAS licence authorises allocation of initial 2G spectrum subject to availability. Please also see response to Q 90.</p> <p>c) Award of start-up spectrum to new entrants shall be subject to availability and as per prescribed policy. It may be noted that TRAI is currently carrying out a consultation process on issues relating to 2G Spectrum including authorisation of 2G Spectrum to new UAS licensees if awarded in future. No timelines can be given in this regard.</p>
140.	<p>Can an ISP licensee who has won BWA spectrum, use the spectrum for voice? Will he have to migrate to a UAS License to do so?</p>	<p>Use of spectrum is governed by licence conditions. Current licence conditions only permit eligible ISPs to provide restricted internet telephony.</p>
141.	<p>When can we expect the next round of auctions for 3G, EVDO &amp; BWA spectrum – any time frame that is envisaged by the Government?</p>	<p>There is no schedule for the next round of auctions drawn up at present. Timing of future auctions will be at the sole discretion of the Government, after considering multiple factors such as consumer and industry needs, technological changes and availability of spectrum.</p>
142.	<p>It may be noted that the definition &amp; computation of AGR has been settled by the TDSAT.</p>	<p>The matter is sub-judice.</p>

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## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
143.	Will the Government clarify the following before the auction of 3G, BWA & EVDO spectrum? a. 2G spectrum allocation & pricing policy b. De-linking of license and spectrum c. Uniform license fee for telecom services d. Applicable M&A guidelines e. Spectrum trading, transfer and sharing charges, if introduced	As per usual procedure TRAI will consider inputs from stakeholders and submit recommendations to the Government, which will then consider these issues and formulate policy, where appropriate. In case there are any changes in Government policy, these will be duly communicated. However, the current Auction timelines are not linked to the TRAI consultation process on spectrum management.
144.	Why is the 800MHz auctions reserved only for existing UAS-CDMA operators?	Auction for spectrum in the 800MHz band is not part of the current process.
145.	Do we need a Company Secretary to be mentioned explicitly in the application forms for 3G and BWA? Or Can the Director/Authorized Signatory sign and certify the documents to participate in the Bid on behalf of company secretary? Or Can the Company Secretary of the parent company do the needful for different companies under its umbrella?	- A Company Secretary will need to be mentioned explicitly in the application forms for 3G and BWA. - Company Secretary of the relevant company should sign and certify the forms, where required.
146.	What is the prescribed Format of various following documents to be submitted? Power of attorney letter. Shareholding patterns. Certificate of paid-up capital. Ownership compliance letter. Certificate of net-worth etc.	- Power of attorney letter - requirement from such a letter have been specified in the Revised IM. - Shareholding patterns - please provide in tabular format. - Certificate of paid-up capital - please indicate on the letterhead of the Company. - Ownership compliance letter - format has been provided. - Certificate of net-worth - please indicate on the letterhead of the Company.
147.	Whether specific Board resolution is required for Bidding or existing enabling resolution will be sufficient?	Enabling resolution will be sufficient so long as it adequately covers the power to bid any amount on behalf of the Company.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
148.	What will be the performance bank guarantees which will be required to be submitted post auction?	Performance bank guarantees are required for grant of licence. No separate PBG is required for spectrum allocation.
149.	Whether a consolidated application for all circles could be submitted or separate circle wise applications are needed for each auction?	Only a consolidated Application may be submitted (separate Applications for the 3G and BWA Auctions).
150.	Whether authorized signatory for participation in the Bid will require any Digital Signature? If yes, Class/Type of Digital Signature?	Will not be required.
151.	For Nomination of an authorized person, POA is required to be executed. Is there any Specific format available for POA? Whether we can execute the same as per stamp paper of the state in which our office is situated or is there any specific amount of stamp paper for execution of POA?	Requirements for POA have been mentioned in the Notice Inviting Applications. There is no specific format for the POA, but it should be on stamp paper of the state in which the office is situated.
152.	Application is to be made in triplicate. Whether three original applications are required or one original and two copies of the said application can do?	Please refer to Application details in the Notice Inviting Applications for clarification in this regard.
153.	As per para 6 of the Application Form, “Details of Promoters/ shareholders in the Company” is required. There is one column of “Net-worth”. In case of public listed company, various investors in various category holding shares. How can net-worth of a particular category be arrived at? Further, it is not possible in listed company. Also, in the second column, “Name of promoter” is asked for. Does the bidder have to mention names of all the promoters or can these be clubbed and the bidder can instead mention total holdings of promoters?	<ul style="list-style-type: none"><li>- Net-worth needs to be mentioned only to the extent required to satisfy the UAS licence criteria, and not necessarily for all shareholders.</li><li>- Names of all promoters needs to be mentioned.</li></ul>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
154.	Under para 6 of the Application form, there is one column “Paid up capital”. Whether we need to mention No. of shares or total paid up capital of each category of shareholders in case of listed company?	Total paid up capital of each entity/group of entities. Entities holding more than 5% shares cannot be clubbed.
155.	Under para 8 of the application form, “Ownership details of each of the Associated Licensees establishing the shareholding of the common parent in each of the Associated Licenses” is asked for. Whether this is required to be given even though only one entity from group has made bid application?	Yes, this is required for all Associated Licensees.
156.	Can a bidder give single consolidated BG for all the service areas or it is required to be submitted individually for each service area? If bidders are allowed to switch across the circles, it is suggested that a single BG guarantee should be required.	Only consolidated Bank Guarantees are to be provided. At the option of the Applicant, the aggregate amount may be broken into up to 5 BGs.
157.	The telecom sector is under financial turmoil. Rushing the auctions at this stage, when access to investment funding is low, will only result in a huge loss to the Govt and an embarrassment to the Department. To ensure healthy participation in the auction, what financial incentives will the Govt offer? Just delaying the payment by a few months or allowing depreciation benefits on the spectrum fee will not be enough. What other options has the Govt considered and why were they dropped?	<p>The Government has already relaxed the ECB guidelines for the Auctions. Allowing tax depreciation benefits on upfront auction price is also under consideration.</p> <p>By way of clarification, no delay in payment of the Bid amount will be permitted.</p>
158.	Due to adverse financial markets, availability of funds is not encouraging. Payments of 25% of bid amount should be accepted upto 15 days & the balance bid amount upto 8 weeks of closure of relevant auctions.	Payment schedule shall be as indicated in the Notice Inviting Applications.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
159.	<p>When rest of the world is implementing 4G - e.g. NTT DoCoMo/ Verizon etc. - why should India adopt the old standard of 3G - which rest of the world adopted in 2001-2003? Especially when there is ample 4G spectrum in 700MHz lying free, while there is such a huge shortage of spectrum in 3G bands? The DoT has previously talked about leapfrogging 3G to 4G; now with LTE and related 4G technology much more readily available/ roadmap much clearer than when DoT first raised the issue of leapfrogging to 4G - When will DoT give clarity on the auctioning of the 700MHz bands? Can this be provided in the revised IM?</p>	<p>The Government is working on refarming of spectrum and for making spectrum available in the other bands, including the 700MHz band. It is not possible to provide timelines in this regard.</p>
160.	<p>Currently, TRAI is deliberating a number of recommendations on spectrum assignment and allocation, many of which directly impact the business case and deployment case for 3G. Clarity from the TRAI recommendations will give much more confidence on the 3G business case, thus enabling operators and new entrants to support higher auction values. Thus, how does DoT propose to act on the TRAI's recommendations that directly impact the 3G auction/ 3G business case? Will the revised IM reflect some of the issues that TRAI is deliberating and the DoT stance on the recommendations?</p>	<p>In case there is any change in Government policy, they will be duly communicated. However, the current Auction timelines are not linked to the TRAI consultation process on spectrum management.</p>
161.	<p>Now that additional slots have been released by the MoD in key circles (as per media reports), how will these additional slots be included in the auction/ revised IM? Also, what impact on the timelines is DoT envisaging given that it takes bidders about 4-6 weeks at the very minimum to reflect the additional supply on the 3G auction strategy and the business case?</p>	<p>Details on spectrum available are being validated. Final details regarding spectrum being auctioned will be contained in the Notice Inviting Applications.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
162.	The perusal of Information Memorandum indicates that the entire available spectrum with DoT is not being put to auction. States like Delhi and Gujarat have only 2 blocks of spectrum for auctioning while the other states have got 3 to 4 slots. Similarly, no spectrum is being put to auction in North East and Rajasthan. Is it that these states and people from these states have lesser need for wireless broadband and customer services that 3G will enable?	Details on spectrum available are being validated. Final details regarding spectrum being auctioned will be contained in the Notice Inviting Applications.
163.	When the initial TRAI recommendations were made in 2006, there were a maximum of 5 GSM operators per circle. Now we have up to 12-14 licensed operators. What is the forward path for these new operators? No single operator should get more than 5 MHz of 3G spectrum, at least during the next three years, so as to ensure fair participation of all licensed operators.	Single operators will only be allowed to hold more than 5MHz spectrum in the 2.1GHz band subject to competition conditions being met. The Government is keen to ensure sufficient competition in the sector, while also avoiding undue fragmentation of spectrum.
164.	There have been suggestions from many stakeholders that since 60 MHz is the earmarked spectrum for 3G services in 2.1 GHz band, we suggest that entire 60 MHz spectrum should be auctioned and successful operators be put in the waiting list. What problems does DoT see with this suggestion? Why was it dropped? If not all 60 MHz is available; at least four slots should be auctioned uniformly in all the service areas and the bidders be placed in waiting list wherever the spectrum for all the four slots is not available.	Details on spectrum available are being validated. Final details regarding spectrum being auctioned will be contained in the Notice Inviting Applications.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
165.	When will next round of 3G auction take place? How can the value of this round of auction be determined unless there is clarity when the next round will take place?	<p>There is no schedule for the next round of 3G Auction drawn up at present. Timing of future Auctions will be at the sole discretion of the Government, after considering multiple factors such as consumer and industry needs, technological changes and availability of spectrum.</p> <p>If a further round of Auction for 3G or BWA spectrum takes place, within 12 months from the current round, the Reserve Price in such a round will be the same as the Winning Price in the current round for the respective service area.</p>
166.	Under para 5.5 of IM; proposed spectrum charges are shown as 4% for 5 MHz CDMA. This is incorrect. As per the policy of DoT, it should be only 3% i.e. 1% over the existing spectrum charge.	Please refer to response to Q 95.
167.	What will be termination charges for 3G services? How will the MTC be impacted given the huge additional capacity of 3G networks (Video call IUC charges)? On what cost basis will the MTC be charged - for a 2G operator? for a 3G operator? For a 2G + 3G operator? What basis should bidders assume in their valuation models that will guide the business case for 3G and the value to be put in the auction?	The current MTC guidelines will apply for 3G services as well, unless otherwise revised by TRAI.
168.	The moratorium of one year for the payment of spectrum charges should be available to all operators i.e. 2G + 3G as well as 2G + BWA and not only to standalone 3G & BWA operators to have level playing field. This is in line with earlier TRAI recommendations.	This provision is as per the guidelines issued by the Department of Telecommunications in 2008 for the Auction of 3G and BWA services.
169.	Will voice services be permitted for BWA, if new operators take a UASL licence subsequently?	Provision of services will be governed by the relevant licence conditions.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
170.	Will a UASL offering voice on the BWA spectrum pay 1% revenue share only?	UASL will need to pay annual spectrum charge and licence fees as per applicable guidelines (please also refer response to Q 95).
171.	How much license fee a new UAS Licensee will pay?	Licence fees will be as per prevalent guidelines.
172.	The roll-out obligations for BWA spectrum is to cover at least 50% of the rural SDCAs within five years. While for 3G services, the roll-out obligation is to cover only 50% of the DHQs (District Headquarters) within five years, out of that only 15% will be the rural SDCAs. Roll out obligations for BWA needs to be in line with 3G roll out.	Auction for BWA and 3G spectrum are independent of each other and therefore the guidelines cannot be linked.
173.	Minimum 2 slots should be auctioned for EVDO in each circle by re farming 800 MHz or use of 450/1900 MHz bands. If the present availability of spectrum is for one slot; the second bidder may be kept in waiting list and frequency be allotted to him when it becomes available.	Auction for spectrum in the 800MHz band is not part of the current process.
174.	Spot frequencies for 3G & EVDO should be indicated before auction.	Final details regarding spectrum being auctioned are provided in the Notice Inviting Applications.
175.	There are no EVDO spectrum slots in key circles e.g. Mumbai, Delhi, Maharashtra etc. This completely kills the 3G business case for CDMA operators thus creating the very real scenario of making the CDMA auction a total failure. In addition, it completely skews the playing field against CDMA operators. How does DoT propose to rectify this? Will the DoT look at 1900 and 450 bands across India as the forward path for CMDA operators? Can this assurance and timetable be provided as part of the revised IM?	<p>Auction for spectrum in the 800MHz band is not part of the current process. Auctions in the 2.1GHz band are open for both GSM and CDMA operators.</p> <p>Questions pertaining to allocation of spectrum in other bands are beyond the scope of the 3G and BWA Auctions.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
176.	For BWA, the availability has been reduced from 3 slots earlier to 2 slots now. It is proposed that all the 3 slots should be auctioned now and the third operator could be put in waiting list and spectrum be allotted whenever it becomes available.	The Government has already examined the issue and taken a decision to auction 2 slots of BWA spectrum at present, unless more spectrum becomes available or interference issues are resolved in the 2.5GHz band. The Government is keen to auction only spectrum that is currently available and not maintain a waitlist.
177.	When will 2.5GHz slot be made available for the BWA auction? Since BWA business plan are intrinsically linked to the clarity on the additional slot in 2.5GHz band, what assumptions on the slot and the timing of its availability should bidders in BWA 2.3GHz auction take in their auction planning and business planning?	A decision on the Auction of 2.5GHz spectrum will be taken only after the outstanding issues of interference with the Mobile Satellite System of the Department of Space are resolved. It is not possible to indicate a timeline at present.
178.	Mandating roaming for the losers - As DoT is auctioning very limited 3G slots which only accommodate very few UASL licensees out of the 12-13 per circle; to ensure benefits to all 500 million telecom subscribers, will the Government mandate non-discriminatory roaming agreements on all the winners?	At present, mandatory roaming or mandatory MVNO is not part of the Government's telecoms policy.
179.	What all elements are included in active Infra-sharing? For example, will common SGSN / GGSN across circles for the same operator, even if operating with multiple UAS licences be allowed?	The query is not clear. Infrastructure sharing policy is with respect to the service licence. There is no specific/ different provision for the use of 3G Spectrum.
180.	When will winners be allotted 3G spectrum? For example, immediately after payment for the spectrum / within a month / within 2 months?	Please refer Section 4.6 of the Notice Inviting Applications. The Successful Bidders will be allowed to commercially use such spectrum from 1 <sup>st</sup> September 2010.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
181.	<p>What will be the impact on the SLC criteria once operators have access to 3G spectrum? Clarity on this issue will significantly improve the 3G business case thus helping the auction become even more successful. Can DoT please provide this clarity? 2G operators with spectrum in excess of contracted spectrum of 6.2MHz will be able to further derive domination benefits once they have access to 3G. What steps will DoT take to reduce this risk and ensure strong operators are not pushed into severe losses just because they are late entrants?</p>	<p>3G spectrum will not be considered for the SLC criteria. 2G spectrum issues are beyond the scope of the 3G and BWA Auctions. It may be noted that TRAI is presently carrying out a consultation process on spectrum management-related issues. However, the current Auction timelines are not linked to this process.</p>
182.	<p>In the IM for 3G &amp; BWA Auction the following para is mentioned for the backhaul</p> <p><b>4.3 Backhaul</b> <i>Authorisation for the use of spectrum for individual point-to-point fixed links would be the subject of separate applications. Subject to the usual processes and conditions, the Government would make available spectrum for these purposes under the prevailing terms and conditions (specified by the WPC) within a month of the deposit of the successful bid amount. The fee/ royalty for the use of spectrum depends upon various factors such as frequency, hop and link length, area of operations and other related aspects.</i></p> <p>Clarity is required on the backhaul spectrum allocation and charging. Under UASL the charging is on percentage basis while for ISP it is on link basis. In case of BWA spectrum taken under UASL what will be the charging mechanism? Also allocation in UASL is on circle basis, will it be same here?</p>	<p>Please refer Section 2.3 of the Notice Inviting Applications in this regard. Subject to the usual procedures, terms and conditions, and applicable charges, the WPC shall allot spectrum for Microwave backbone (in the below 10GHz band) and Microwave access (in the above 10GHz band; shared environment) to the winners of spectrum in the current Auctions, subject to availability. However, it must be noted that these frequencies are not part of the Auctions, are not bundled with the 3G Spectrum or the BWA Spectrum and payment of the Successful Bid Amount does not grant usage rights to such backhaul spectrum. Separate charges as applicable are payable for backhaul spectrum.</p> <p>Backhaul spectrum allocation and charging will be as per the applicable licence (UASL or ISP). Under UASL, the charging will be on revenue share basis, while under ISP it will be on link basis. Allocation will be on circle basis for UAS licence.</p>
183.	<p>Whether the benefits of Sec 80 IA of the Income Tax Act be extended to 3G License and Rollout as well?</p>	<p>The current Auctions is for the auction of spectrum (and not licence), hence Section 80IA of the IT Act will not be applicable.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
184.	Whether the ECB guidelines will be amended to seek long term funding for 3G in its entirety including bid fees? (Service Providers will not be able to raise ECB funding for the fee payment since the number of circles and bid amounts are not known. Service Providers need to do a bridge funding and then replace the bridge funding with long term ECB funding. ECB guidelines do not allow for refinancing of the bridge funding. This should be provided as an exception).	ECB guidelines have been amended to allow for a re-financing within 12 months, subject to other terms. Please refer to the Government press release dated, 22 <sup>nd</sup> January, 2010 in this regard.
185.	In view of the current consultative exercise on 2G spectrum allocation and pricing, M&A, spectrum trading/transfer/sharing, uniform licence fees, licence & spectrum duration etc., any participation in the 800MHz, 3G & BWA auctions without clarity on the open issues, is likely to lead to uncertainties. We ask what assumptions can the potential bidders make, and rely upon, in respect of the issues under consultation?	As per usual procedure TRAI will consider inputs from stakeholders and submit recommendations to the Government, which will then consider these issues and formulate policy, where appropriate. In case there are any changes in Government policy, these will be duly communicated. However, the current Auction timelines are not linked to the TRAI consultation process on spectrum management and other issues. Bidders are advised to use their own judgement in this regard as it is not possible for the Government to give a guidance at this stage.
186.	Given the significance of the current consultative exercise on 2G spectrum allocation and pricing, M&A, spectrum trading/transfer/sharing, uniform licence fees, licence & spectrum duration etc. for the value of the 800MHz, 3G and BWA licences, will the DOT convene a pre-bid conference after it has made its policy decision on the TRAI's recommendations?	No further pre-bid conferences are envisaged at this stage.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
187.	Various questions emerge out of the current TRAI consultation paper which has a bearing on the 3G & BWA auctions and therefore, request confirmation whether the issues under consideration in the TRAI consultation paper and their outcome would be applicable to the 3G & BWA auction?	The consultation process deals with issues of policy; while the Auctions are a procedure to allocate spectrum. It is unlikely that the TRAI consultation process will lead to a change in the Auctions process. In case there is any change in Government policy, they will be duly communicated. However, the current Auction timelines are not linked to the TRAI consultation process on spectrum management and other issues.
188.	Please confirm whether 3G services can be rolled out in 2G spectrum assignments?	Provision of services is governed by the licence held by the service provider. The current Auctions are for spectrum, not licences.
189.	Please confirm whether other alternative band plans viz. 700 MHz, 450 MHz, 2.5 GHz, 3.3-3.6 GHz are going to be made available before the 3G auction (since they are required for operators to be able to build business models based on such availability)?	Spectrum co-ordination and making available more spectrum across different bands for commercial use is an ongoing exercise and the Government is making all efforts in this regard. However, considering the various inter-linked issues, it will not be possible to provide information on the timing of availability of such spectrum prior to the Auctions. In view of the current uncertainty on the timing of availability of spectrum for commercial use in these bands, a roadmap cannot be provided.
190.	Please confirm whether any spectrum caps applied in the future will apply to 3G spectrum acquired through auction?	The Government reserves the right to formulate future policy, including spectrum caps. At present, subject to adequate competition, there is no spectrum cap on the 3G spectrum. The Government will determine the level of adequate competition from time to time, with the current guidelines applying at this stage. However it may be noted that a Successful Bidder can only win one block of 2X5MHz of 3G Spectrum in the current Auctions and further, no single operator can hold more than one block of 3G Spectrum unless otherwise notified by DoT.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
191.	If a spectrum cap is applied to spectrum including 3G spectrum, please confirm the level of the cap and which other spectrum holdings will be taken into account in determining whether the cap has been exceeded?	At present, subject to adequate competition, there is no spectrum cap on the 3G Spectrum. The Government will determine the level of adequate competition from time to time, with the current guidelines applying at this stage. However it may be noted that a Successful Bidder can only win one block of 2X5MHz of 3G Spectrum in the current Auctions and further, no single operator can hold more than one block of 3G Spectrum unless otherwise notified by DoT.
192.	Please confirm that if one licensee holding 3G/BWA spectrum acquires another licensee in the same circle which also holds 3G &/BWA spectrum, that the acquiring company can retain the combined spectrum?	The M&A guidelines will be applicable in such a case. However, it is clarified that, at present, spectrum which is being auctioned in the current Auctions is not subject to any subscriber-linked criteria but no single operator can hold more than one block of 3G Spectrum unless otherwise notified by DoT.
193.	Can the DOT confirm that no lock-in period applies to 3G & BWA spectrum?	Lock-in periods are in respect of licences. The current Auctions deal with spectrum allotment.
194.	Please confirm whether combined spectrum upon merger of 2G entity with new entrant 3G entity will not require surrender of any spectrum?	The M&A guidelines will be applicable in such a case. However, it is clarified that, at present, spectrum which is being auctioned in the current Auctions is not subject to any subscriber-linked criteria but no single operator can hold more than one block of 3G Spectrum unless otherwise notified by DoT.
195.	Please confirm that the spectrum fee slabs apply independent of the amount of 3G and BWA spectrum that a licensee holds, or may hold in the future?	The spectrum fee slabs currently apply independent of the amount of 3G Spectrum and BWA Spectrum and are only related to whether a licensee holds 3G Spectrum and BWA Spectrum or not. The Government reserves the right to formulate future policy.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
196.	Please confirm that the entry fee for winning bidders who are new entrants will be equal to the amounts specified on page 26 of the IM?	Please refer extant UAS guidelines for the applicable entry fee for a UAS licence. The Government reserves the right to amend terms and conditions for the award of UAS license from time to time.
197.	Please confirm that in circumstances where the period of an existing UAS licence will be extended solely to allow the licensee the right to use 3G or BWA for 20 years, no fee will be payable?	Yes.
198.	Please confirm that 1 block of 800 MHz spectrum has been assigned to BSNL & MTNL as has been for 2.1 GHz? If not, please confirm whether MTNL and BSNL will be allowed to bid for 800 MHz auction?	Auction for spectrum in the 800MHz band is not part of the current process.
199.	How will the price of the 800 MHz spectrum in Delhi, Mumbai, Maharashtra, AP, Punjab & Rajasthan be determined?	Auction for spectrum in the 800MHz band is not part of the current process.
200.	How will the price of the 3G (2.1 GHz) spectrum block in North East and Rajasthan circles allocated to BSNL be determined?	This would be decided upon determining the actual availability of spectrum for the Auctions. In case no spectrum is auctioned in any circle, BSNL would pay at the Reserve Price in the relevant circle for now.
201.	Please confirm that India's technology neutral licensing policy specifies that all UAS licensees can bid for 800 MHz?	Auction for spectrum in the 800MHz band is not part of the current process.
202.	Please confirm that in the event that 2 licensees merge, each holding 3G spectrum, the combined entity will be able to retain the 3G spectrum of both licensees?	This will be subject to prevailing M&A guidelines and competition requirements. Unless otherwise notified by DoT, no operator can hold more than one block of 3G Spectrum.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
203.	Request confirmation whether combined market share (2G+3G+BWA) will be considered for determining the applicability of M&A rules relating to market share?	The current M&A guidelines will be applicable in such a case. In order to preserve the spirit of competition requirements, the government may take a view based on individual market shares as well. Such policy would be stated from time to time.
204.	Request confirmation of whether mergers would be allowed which reduced the number of 3G operators in a circle below 4?	This will be subject to prevailing M&A guidelines and competition requirements.
205.	Request confirmation that the license term of a company which is the result of a merger between 2G & 3G licensees could be shortened to the term of the 2G licensee regardless of the fact that the award of 3G spectrum entitles an entity to a licence duration of 20 years?	There are no separate 2G and 3G service licences. Entities with 3G spectrum would necessarily need to have an UAS or CMTS licence or obtain/ acquire an UAS licensee. Upon merger of licences, if the period of the existing UAS/ CMTS licence of the licence with lesser remaining term is expiring before the period of expiry of the right to use the 3G Spectrum, then the period of validity of UAS/ CMTS licence with respect to the usage of 3G Spectrum or BWA Spectrum only will get extended to 20 years from the time of award of the 3G Spectrum or BWA Spectrum (awarded as part of the current Auction). However, terms of extension, if any, of the right to use any spectrum other than 3G Spectrum or BWA Spectrum associated with the licence and the terms thereof beyond the original term will be specified in due course.
206.	Request confirmation whether spectrum trading/sharing/transfer shall be allowed between 2G/3G (800 MHz & 2.1 GHz) /BWA spectrum holders?	Not as per current policy. However, it may be noted that this is one of the areas where a TRAI consultation process is underway.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
207.	Will there be any scope for additional spectrum to be availed by 3G & BWA owners (out of this auction round) beyond 5 MHz and 20 MHz respectively?	This will be subject to prevailing M&A guidelines, competition requirements and future availability of spectrum with the Government. However it may be noted that a Successful Bidder can only win one block of 2X5MHz of 3G Spectrum in the current Auctions and unless otherwise notified by DoT, no operator can hold more than one block of 3G Spectrum. .
208.	Given the current paucity of 2G spectrum for existing players, will the DoT still be considering allowance of application for start-up 2G spectrum in case a new entrant acquires UAS licence, in which case, what will be the priority for allocation of such spectrum relative to other licensees?	<p>If a new entrant acquires/ obtains a UAS licence, it may be eligible for start-up 2G spectrum as per the extant policy.</p> <p>With respect to position in queue, the matter is sub-judice and the Bidders are advised to use their own judgement. However, the following points may be noted:</p> <ul style="list-style-type: none"><li>- Existing UAS licensees who have not yet been allocated start-up spectrum will have priority over any potential new entrant;</li><li>- In respect of UAS applicants before October, 1, 2007 who have not yet been awarded licences, there is a recent judgement of the Delhi High Court, which may imply that such applicants be awarded UAS licences prior to any potential new entrants. DoT has opposed this judgement and has filed a SLP in the Supreme Court;</li><li>- TRAI is currently carrying out a consultation on “Overall Spectrum Management and review of licence terms and conditions”. This consultation process, and any policy changes as a consequence of TRAI recommendations, may also have a bearing on this issue.</li></ul>

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## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
209.	<p>In DoT's IM of December 2008, a roadmap for future auctions was provided by DoT viz. no auctions for 12 months &amp; if auction to be held, the winning price of Round 1 to be considered as reserve price for Round 2. In keeping with the previous approach adopted by DoT and recommended by TRAI, we request clarity with respect to a roadmap on likely availability of 3G &amp; BWA spectrum over the next 5 years in terms of timing, quantum and also the expected process of allocation for such spectrum (allocation vs. auction &amp; reserve price)?</p>	<p>Such a detailed roadmap is not available due to the current uncertainty on the availability of spectrum for commercial use and the timeframes. Timing of future Auctions will be at the sole discretion of the Government, after considering multiple factors such as consumer and industry needs, technological changes and availability of spectrum.</p> <p>Expected process of allocation for 3G Spectrum and BWA Spectrum is likely to be through auction only. It is clarified that if there is a further Auction in the relevant band within a period of 12 months from the date of completion of the current round of Auctions in the relevant band, then the Reserve Price for that band will be equal to the Winning Price in the current round.</p>
210.	<p>Reference the press reports on 11th Nov 2009, regarding the position taken by the Ministry of Defence w.r.t the spectrum vacated by it (ie. 10 MHz in Oct 2008), request clarity on the exact spectrum per circle that will be available for auction?</p>	<p>There is no press release by the Government on this issue. As stated in the IM and also in the pre-bid conference, the Notice Inviting Applications should be referred to for details on the spectrum to be auctioned.</p>
211.	<p>For the circles where less than 4 blocks are being put up for auction (currently 7 circles have less than 4 blocks – viz. Del 2, Guj 2, UPW 3, Raj 0, WB 1, HP 3, NE 0), request clarity whether auction of minimum 4 blocks per circle for all circles can be undertaken simultaneously with the winners determined, but spectrum allotments slightly delayed (upon availability of spectrum within a specified timeframe)?</p>	<p>The Government is making efforts to put up for auction whatever spectrum can be available in a reasonable time frame. Details in respect of these are provided in the Notice Inviting Applications. The Government believes that it is important to assign specific frequencies to winners of the spectrum within the timeframe indicated and hence no waitlist will be maintained.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
212.	<p>If 4 blocks will not be auctions at once (with allotments made at a slightly later date), we request clarity on whether and when DoT will organize another round of bidding and if so, what rules will apply and how will the reserve price be set for such circles?</p>	<p>Further auction rounds in such circles will mainly be a function of availability of spectrum. In the interest of competition, the Government will try to expedite this, however, at present definite timelines are not available. If a second round of Auctions were to take place in these or any other circles within a period of 12 months from the date of the current Auctions (for the relevant band), the Reserve Price will be equal to the Winning Price in this round (for the relevant band).</p>
213.	<p>Since this will substantially affect the value of the blocks of spectrum being auctioned, can the DOT please confirm whether any unsold/vacant block would be auctioned at any future date, and if they auctioned, when they would be auctions, what rules would apply and how the reserve price would be determined (lower/same/higher than current auctions, or with a reserve price at the winning bid of level of the current auction?</p>	<p>No definitive timeframe can be provided for future auctions of unsold/ vacant blocks. If a second round of Auctions were to take place in any circle within a period of 12 months from the date of the current Auctions (for the relevant band), the Reserve Price will be equal to the Winning Price in this round (for the relevant band).</p>
214.	<p>Though the Memorandum has considered Chennai to be part of TN circle, there will however be eligible bidders who presently hold separate UAS licenses for each service area separately. If both the licenses are Associated Licenses and have a Common Parent, then the Group Bidding Entity can bid on behalf of both such Associated Licenses, where such bid will be a combined bid of such Associated Licenses. Can the DOT confirm that in such cases one of the two licensees ( i.e. either the TN Licensee or the Chennai licensee) through the respective company can be the lead Associated Licensee (party) for the purpose of bidding for TN including Chennai, with no objection and requisite consent from the other licensee/other company to fulfil the respective obligations?</p>	<p>Both the Chennai and Tamil Nadu (excluding Chennai) licensees would be treated as Associated Licensees and therefore would need to give consent in favour of the Group Bidding Entity for bidding in the Auctions. Such UAS/ CMTS licensees of Chennai and Tamil Nadu (excluding Chennai) service areas have to submit an undertaking and appropriate Board resolutions that in case the Group Bidding Entity is successful in the Auction for Tamil Nadu, then they have to merge their UAS/ CMTS licences of Chennai and Tamil Nadu (excluding Chennai) service areas as per DoT letter no. 842-503/2005-VAS/5 dated 15<sup>th</sup> September, 2005. A copy of the letter is available on the DoT website.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

No	Query	Response																		
	In case the Group Bidding Entity becomes the successful bidder, then can the DOT confirm that the Chennai Licensee and TN Licensee will be the Associated Licensees corresponding to Group Bidding Entity for the service area? (ie with the spectrum will be allocated for Chennai and TN to respective Associated Company and consequent amendments in the terms and conditions shall be carried out in both the licenses).																			
215.	Can the DoT advise additional conditions that would apply to this situation so that these eligible bidders can participate without any ambiguity?	Please refer response to Q 214.																		
216.	Please confirm that both licence entities together will be required to fulfil 50% DHQ rollout obligation requirements?	50% DHQ rollout obligation is required to be met for Tamil Nadu (including Chennai).																		
217.	Please confirm how both licence entities will pay licence & spectrum fees?	Such UAS/ CMTS licensees of Chennai and Tamil Nadu (excluding Chennai) service areas have to submit an undertaking and appropriate Board resolutions that in case the Group Bidding Entity is successful in the Auction for Tamil Nadu, then they have to merge their UAS/ CMTS licences of Chennai and Tamil Nadu (excluding Chennai) service areas as per DoT letter no. 842-503/2005-VAS/5 dated 15 <sup>th</sup> September, 2005. A copy of the letter is available on the DoT website.																		
218.	<p>Please confirm whether the network to be shown in Chennai &amp; TN will be as follows :</p> <table border="0"> <tr> <td colspan="3">No. of CMSP/UASP licence in</td> </tr> <tr> <td>Cat A</td> <td>Cat B</td> <td>Cat C</td> </tr> <tr> <td>8</td> <td>9</td> <td>6</td> </tr> <tr> <td>8*100=800</td> <td>9*50=450</td> <td>6*30=180</td> </tr> <tr> <td colspan="3">Total = 800+450+180=1430</td> </tr> <tr> <td colspan="3">EMD =Rs. 40 crores</td> </tr> </table>	No. of CMSP/UASP licence in			Cat A	Cat B	Cat C	8	9	6	8*100=800	9*50=450	6*30=180	Total = 800+450+180=1430			EMD =Rs. 40 crores			<p>For an existing licensee, it is clarified that the network condition would be as applicable to the relevant licence held by the applicant (so, licensees who possess separate CMTS licences for Chennai and Tamil Nadu) will continue to be governed by the net worth criteria as per their existing licence conditions).</p> <p>The EMD figure shown in the illustration is correct for the 3G Auction.</p>
No. of CMSP/UASP licence in																				
Cat A	Cat B	Cat C																		
8	9	6																		
8*100=800	9*50=450	6*30=180																		
Total = 800+450+180=1430																				
EMD =Rs. 40 crores																				

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
219.	Will the DoT notify the relaxation of ECB guidelines for BWA in the Notice Inviting Application and the precise terms of the relaxation?	Please refer the relevant RBI circular on this matter.
220.	Will the DoT notify the amortization of spectrum acquisition fee in the Notice Inviting Application and the precise terms of the amortization?	The Government will notify any decision in this matter, if and when the decision has been taken, and the precise terms of the amortization.
221.	Since 3G services will be rolled out steadily as per the needs of the market, imposition of rollout obligations as high as 50% of DHQs within a limited timeframe, are not practical or feasible. Request DoT to clarify whether minimum 30% rollout obligation in circles can be mandated for the same period?	The rollout obligations are as provided in the Notice Inviting Applications.
222.	How will the roll out obligations be measured? Will it be based on signal strength for the street coverage, if yes then what is the prescribed norm? Will rollout obligation fulfilment be required to be cleared by TERM cells?	Please refer applicable licence terms.
223.	In case of non-fulfilment of rollout obligation, please confirm whether the penalty to be imposed is at 2.5% of the successful spectrum bid or only for that particular service area?	The penalty for non-achievement of rollout obligations in any particular service area will be based on the upfront spectrum auction price for that service area.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
224.	<p>Please confirm the spectrum usage charges separately for the various permutations and combinations of spectrum for various operators</p> <p>Specific scenarios are indicated below on which we request confirmation:</p> <p>(i) Operator A (holding 2G+3G+BWA under UAS licence) – will Operator A pay spectrum fee on Total AGR [(ie. 2G+3G) + BWA @1%]? Also, will the BWA spectrum usage charge in such case apply from Year 1 or will there be a moratorium of 1 year? In addition, how will the operator segregate revenues between 2G+3G and BWA and report accordingly?</p> <p>(ii) Operator B (new entrant acquiring 3G + BWA under UAS licence) – will such operator pay spectrum fee @ 3% on Total AGR (3G+BWA) – or will there be a need to segregate revenues of 3G &amp; BWA (since there is a moratorium for 1 year)</p> <p>(iii) Operator C (Dual Technology holding 2G 800 MHz + 2G 1800 MHz + 3G 2.1 GHz + 3G 800 MHz) – will such operator pay spectrum fee on Total 2G+3G 2.1 GHz and no spectrum usage fee on 3G 800 MHz?</p>	<p>Please refer response to Q 95.</p>
225.	<p>Since graded spectrum usage fee has been stated in the IM for existing 2G operators, this will create a high degree of distortions and burden on the existing 2G operator who has paid equal amount of bid price to acquire the 3G spectrum as being acquired by a new entrant. Can the DoT provide clarity on how the spectrum usage fee as indicated in the IM, is non-discriminatory between the various operators who concurrently participate and win 3G auctions at the same bid price?</p>	<p>These rates are as per the decision of the Telecom Commission which has considered several of these issues prior to arriving at the prescribed rates.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
226.	<p>Request clarity on exact definition of a ‘Standalone 3G / BWA operator’? Specifically: (i) will an ISP licensee having an associate company that holds 2G ie UAS licence, qualify as a standalone operator? (ii) will a new entrant winning both 3G &amp; BWA spectrum under separate licences be classified as a standalone operator? Alternatively, will a new entrant winning both 3G &amp; BWA spectrum under same licence be classified as standalone operator?</p>	<p>(i) Any entity which has an Associated Licensee in a service area for the 3G Auction, must necessarily bid on behalf of the Associated Licensee (with its consent); and the spectrum will be allotted to such an Associated Licensee regardless of the Bidding Entity. The applicable spectrum charges will be paid by the Associated Licensee.</p> <p>In case of an ISP licensee having an Associated Licensee that holds 2G spectrum in the case of the BWA Auction, and where the BWA Spectrum is assigned to the ISP licensee, the ISP licensee will qualify as a standalone operator.</p> <p>(ii) Yes, standalone in the context of spectrum charges is an operator who does not hold any 2G spectrum in the respective service area.</p>
227.	<p>As per prevailing ISP licence, pure Internet revenue is exempted from Gross revenue for determining the AGR &amp; payment of licence fee and spectrum fee. Will the DoT allow pure UAS licence to also avail similar exemption in case it wins BWA spectrum, so as to maintain parity?</p>	<p>Licence fee is governed by the licence conditions. The services allowed under a UAS licence are much wider in scope than those allowed under an ISP licence.</p>
228.	<p>If after bidding, the successful bidder (ie. the ‘prospective new entrant’) is unable to complete the requirements of UAS licence (payment of entry fee etc.), and DoT proceeds to revoke the spectrum (within 3 months), when, how and under what rules and conditions does DoT plan to allot the revoked spectrum?</p>	<p>The revoked spectrum may be re-auctioned at a time that the Government deems appropriate.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
229.	If the successful bidder/ licensee is unable to fulfil its rollout obligations within the extended period of 1 year and DoT withdraws the licensee's spectrum assignment, how and under what rules and conditions will the DoT allot that spectrum? What would be the reserve price for such spectrum?	The revoked spectrum will be re-auctioned at a time that the Government deems appropriate. Beyond the 12 month period, the Government will be free to determine the Reserve Price based on market conditions and other dynamics.
230.	Will intra-circle roaming be allowed for 3G & BWA?	The provision for intra-circle roaming is as applicable to the service licence, and is not different for/ specific to the spectrum being currently auctioned.
231.	As the DoT will permit active infrastructure sharing for 3G & BWA, can the DOT please advise details of the necessary amendment in the existing licence clauses? Will an operator require any specific clearance from DoT prior to engaging in active infrastructure sharing?	Ability to share infrastructure will be governed by the current licence conditions and infrastructure sharing guidelines. Please note that no separate provision for usage of 3G/ BWA spectrum is contemplated.
232.	Will the rules and obligations regarding MNP be applicable for existing and standalone 3G and BWA services?	Rules and obligations regarding MNP will be applicable for 3G services.
233.	Request clarity on whether the 800 MHz/2.1 GHz/2.3 GHz spectrum be extended by 20 years from the date of 'award' of spectrum or date of 'allocation' of spectrum? (Currently, the IM states 'award' of spectrum).	The 20 year duration will be from the later of the date of allotment of spectrum or date of grant of usage rights for the spectrum.
234.	Can DoT provide the principle for extension of licence for 2G spectrum? Can DoT extend 2G spectrum also to make it co-terminus with 3G/800/BWA spectrum allocations?	The terms and conditions that shall govern such an extension have not yet been determined.
235.	Request clarity on how DoT will minimize distortions in the market in cases where there are lesser number of blocks of spectrum to be auctioned?	The Government is aware of the importance of competition for consumer welfare and shall endeavour to release more spectrum in such service areas at the earliest. It may also be noted that the TRAI has the powers to regulate tariffs, if it considers it appropriate.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
236.	<p>If a UASL CDMA operator emerges as the successful bidder for the 2.1 GHz, request clarity that such operator will have the option of either retaining 2*1.25 MHz in the 800 MHz band and getting an additional 2*3.75 MHz in the 2.1 GHz band, or giving up the option on 2*1.25 MHz in the 800 MHz band and getting 2*5 MHz in the 2.1 GHz band (as accepted by DoT in reference to TRAI's recommendations)?</p>	<p>Auction for spectrum in the 800MHz band is not part of the current process.</p>
237.	<p>In the case of 2.1 GHz and 2.3 GHz auctions, UASL dual technology operators are allowed to participate in the bidding process. However, the auction of 3G spectrum in 800 MHz band appears to be denied for participation to any other operators which creates great concerns on maintaining parity in policy. Please confirm whether the CDMA auction is restricted to only existing dual technology operators when other bands are being made accessible to all, and if so, the reasons for this approach? (Note in this regard that page 37 of the IM states that there are no restrictions on the technology to be adopted for providing services in the 3G / 800 MHz / BWA spectrum)</p>	<p>Auction for spectrum in the 800MHz band is not part of the current process.</p>
238.	<p>If DoT proceeds with auction of 800 MHz band only amongst the existing CDMA operators, then will DoT ensure that necessary checks and balances are in place to avoid bidding distortions by ensuring that a CDMA operator must meet the highest bid price (of 2.1 GHz) for the auction of 800 MHz spectrum on pro-rata basis where the highest bid price will serve as the reserve price for 800 MHz (as recommended by TRAI)?</p>	<p>Auction for spectrum in the 800MHz band is not part of the current process.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
239.	Can the DoT please re-confirm that if a UASL CDMA operator opts for participation in 2.1 GHz auction, and is declared a successful bidder, then that CDMA operator will not be allowed to participate in the 450 MHz auction?	At present, no rules have been set in respect of any potential future auction in the 450MHz band.
240.	If the UASL CDMA operator emerges as the successful bidder for the 2.1 GHz, can the DoT confirm that he will have the option of either retaining 2*1.25 MHz in the 800 MHz band and getting an additional 2*3.75 MHz in the 2.1 GHz band, or giving up the option on 2*1.25 MHz in the 800 MHz band and getting 2*5 MHz in the 2.1 GHz band (as accepted by DoT in reference to TRAI's recommendations)?	Auction for spectrum in the 800MHz band is not part of the current process.
241.	Given that an operator may prefer specific frequency slots, can the DoT hold an Assignment round as per its earlier IM instead of randomly allotting frequency blocks as per software results so as to ensure that assignments are done in a more efficient, transparent and fair manner which avoids the possibility of unfair benefit to one bidder, and also increases revenue generation for the Government?	In the interest of efficient allocation of spectrum in future (e.g. offering additional spectrum in adjacent bands to the same operator), the Government reserves the right to change the frequency allocation.
242.	Will a winning bidder be allowed to exchange/swap his particular frequency spots with another operator? If so, please confirm that no fees or charges would apply to such swap?	Winning bidders will be allowed to exchange/swap particular frequency spots with another operator subject to DoT approval. No fees or charges would apply to such swap.

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## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
243.	If a random assignment round is to be used, please confirm that sufficient parameters are built into the software and security procedures to ensure reasonable and independent assignment, without any manual intervention? Will it be managed by the Advisers, NM Rothschild & Sons?	The assignment will be completely random and generated without manual intervention. As per the scope of the appointment letter and the division of responsibilities, NM Rothschild & Sons (India) Pvt. Ltd.'s role is limited to aspects such as process management, co-ordination, assistance in preparation of bid documents, marketing and logistics. The e-Auction itself will be conducted by DotEcon Limited and Rothschild will not be involved in running the e-Auction including managing the Auction software. Rothschild will also not have any access to the software when the e-Auction is underway and will not be privy to information on specific bids (other than aggregated reports which will be generated by the EAS and made public).
244.	Please confirm that the amount paid by BSNL/MTNL for 3G & BWA spectrum will not be funded from the USO fund?	BSNL/ MTNL will need to decide how they fund the spectrum fee.
245.	Please confirm how DoT will address the anomaly whereby a pre 2003 ISP licence acquires BWA spectrum for which it will not need to pay any licence fee (as compared to post 2003 ISP operators who will have to pay 6% licence fee)?	Any ISP licensee acquiring BWA spectrum will necessarily have to migrate to the ISP-Category 'A' licence.
246.	If a pre 2003 B Category ISP operator acquires All India BWA spectrum for which it will necessarily need to migrate to Cat A ISP licence, will 6% licence fee become applicable for such operator or not? If so, then by when DoT will address this issue vis-à-vis older ISP operators?	Terms and conditions of the ISP-Category 'A' licence will apply for such an operator.
247.	Please confirm that earnest monies for 3G, 800MHz and BWA will be deposited at the same time?	EMD has to be deposited along with the Application within the deadline for the submission of the Application.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
248.	Please confirm that the earnest monies must be specified separately for 3G, 800 MHz and BWA auctions?	Yes, separate Applications are required for each of the Auctions. Auction for spectrum in the 800MHz band is not part of the current process.
249.	Please confirm that the Bidder's Initial Eligibility Points will be posted on the DoT website separately for 3G, 800 MHz and BWA?	Yes. Auction for spectrum in the 800MHz band is not part of the current process.
250.	Clause 1.1.1 mentions that the Memorandum supplements and updates the guidelines that were issued by DoT on 1 August 2008 along with amendments issued on 11 September 2008 (“Guidelines”). Will the disclaimers in the ‘Important Notice to the Memorandum’ not apply to any changes made in the Guidelines by this Memorandum?	The Memorandum is a document for providing information and does not have any legal effect. The Notice Inviting Applications will be a formal binding document.
251.	Since the ‘Notice Inviting Application’ to be issued on 8th Dec 2009 will take precedence over the Memorandum, request confirmation that an opportunity to the prospective bidders will be made available post 8th Dec 2009 and post DoT’s policy decision on 2G spectrum matters, in order to seek clarifications on the Notice and 3G/BWA bids in reference to the 2G policy decision?	<p>The Government will consider comments received on the Memorandum while framing the Notice, however final decisions and policy formulation or changes are the Government’s prerogative. Applicants will have the option to withdraw their Applications up to 7 days prior to the scheduled start of the Auction.</p> <p>The Bidders can continue to e-mail queries to “spectrum-dot@nic.in”. However, the Government reserves the right to choose to answer or not to answer any or all such queries.</p>

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## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
252.	<p>The Associated Licensee and Group Bidding Entity are jointly and severally liable for performance of bid obligations. Also Common Parent should have at least 26% shareholding (directly /indirectly) in each of the Associated Licenses.</p> <p>Do these criteria apply only at the time of auction/application only and will not be relevant later? If they will be relevant later then please clarify the period and related lock in conditions if any?</p>	<p>The ‘joint and several criteria’ shall apply only till the full payment of the spectrum fee and the allotment of spectrum by the appropriate entity. Beyond this, the user of the spectrum will be liable for performance of the bid obligations. However, liability on account of any act (either of omission or commission) prior to the allotment of spectrum will continue to be joint and several.</p>
253.	<p>Will the DoT permit BWA winning bidders who are ISPs to offer voice based services utilizing BWA spectrum?</p>	<p>The present policy allows eligible ISP licence holders to provide only restricted internet telephony.</p>
254.	<p>In C 1.1.3.3 it is clarified that services can only be offered as per terms of the license obtained by the operator. In C 4.1 it is stated that the spectrum shall not be used for any activity other than the activities for which operator has the license.</p> <p>Request confirmation that a BWA spectrum holder having UAS License can provide access for voice on the BWA spectrum</p>	<p>If the spectrum is taken under the UAS licence, then the BWA spectrum holder can provide services as per the UAS licence.</p>
255.	<p>Can the DOT please provide the URL/address of Auction website?</p>	<p>For the purposes of information dissemination the “Auction website” is <a href="http://dot.gov.in/as/Auctionindex.htm">http://dot.gov.in/as/Auctionindex.htm</a>.</p>
256.	<p>Will the DoT to provide details of Rural SDCAs for fulfilment of Rollout obligations in time for the impact to be incorporated into auction business modeling?</p>	<p>Short Distance Charging Areas is defined as per the definition used by the Census of India. Rural SDCA is defined as an area where 50% of the population lives in the rural areas based on prevailing census data.</p>
257.	<p>We request confirmation that the TDSAT judgment on AGR dt 30 Aug 2007 will apply for 3G &amp; BWA spectrum holders?</p>	<p>The AGR definition is as per the licence condition. It may be noted that the Government is currently contesting the TDSAT judgement. As such, an operator’s participation in the Auctions will not prejudice either party’s legal position on the issue of AGR definition.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
258.	In light of the TEC report stating inconclusive results on use of mixed band plan of 1900 MHz with 2.1 GHz while also suggesting that interference issues may arise in such arrangement, request confirmation that the operators winning 2.1 GHz spectrum will be assured of interference-free operations?	While it is not possible to provide guarantees, the Government reasonably believes that the slots that will be auctioned will be free from interference under normal usage.
259.	Request confirmation that 800 MHz spectrum auction will precede BWA spectrum auction?	Auction for spectrum in the 800MHz band is not part of the current process.
260.	In the case of new entrants/foreign operators, what will be the objective criteria used by DoT to determine ‘prior relevant experience’ for determining eligibility of such applicant? Will the criteria be based on minimum 3G subscribers (as considered earlier by DoT– minimum 0.5 mn), or minimum number of years of prior experience (as considered earlier by DoT – min. 1 year)?	The Government would like to retain flexibility on this. The list of pre-qualified Bidders will be made public well in advance of the Auctions.
261.	Since the new entity will be applying for grant of UAS licence, will its spectrum validity be considered from the date of allotment of spectrum or date of provisional award of spectrum?	Please refer to Section 3.6 of the Notice Inviting Applications.
262.	If a bidder does not win in the auctions, in what timeframe will DoT refund the EMD?	The Bank Guarantee for EMD will be refunded to unsuccessful Bidders at the earliest, after deducting any pending dues with respect to the Auction from the Bidder. However, no definite timeline can be committed.
263.	Given an interested applicant for 3G & BWA auction may have numerous shareholders, it may not be practical to provide details of networth and paid up capital of shareholders – request that this requirement be withdrawn as it will unduly delay the entire process.	Net-worth and paid-up capital needs to be mentioned only to the extent required to satisfy the UAS licence criteria, and not necessarily for all shareholders.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
264.	Request clarity whether application should be submitted in 3 original sets or 1 original set plus 2 sets of photocopies signed & stamped on each page by the authorized signatory?	Please refer to Application details in the Notice Inviting Applications for clarification in this regard.
265.	Will the 1st page of the ‘Application Format’ be provided on the Letterhead of the applicant company or on plain paper?	On the letterhead.
266.	There is a requirement that the application should contain ‘Nomination of authorized person’ for future correspondence with the bidder along with a POA for empowering him/her to take all decisions. Will this nomination be on letterhead of applicant company along with POA or is it sufficient that the POA is given along with the details as required in Clause 5 of the Application?	It is sufficient to attach the POA. The POA should clearly identify the person to be the same as in Clause 5 of the Application.
267.	<b>P 52 (last bullet point)</b> The nomination form by Associated Licensee nominating Group Bidding Entity mentioned in this Clause is the same as the Joint Undertaking to nominate Group bidding entity – please clarify?	Yes.
268.	<b>P 116, Point 2</b> Can the DOT clarify that this point should refer to “Memorandum of Association” and not “Memorandum of Understanding”?	Yes, it should be read as Memorandum of Association.
269.	<b>P 116, Point 5 read with P 120, Point 11</b> Paid up capital details - are these required of the Group Bidding entity which is also the Applicant or of all the Associated Licensee companies too?	This is required only for the Applicant.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
270.	<p><b>P 118 (application), Point 4(a)</b> Is Point 4a the only sub-point in the Clause?</p> <ul style="list-style-type: none"><li>• Is Self Certification required on Company's letter head or on personal letter head?</li><li>• Is Self Certification required from Company Secretaries and Authorised Signatories of all the Associated Companies, who have signed any document/attachment?</li><li>• What will happen if the authorized signatory does not have a passport</li></ul>	<p>Yes, 4a is the only sub-point. However, please refer to the Notice in case there are any changes.</p> <ul style="list-style-type: none"><li>• Self certification is required on Company's letter head.</li><li>• Self certification is required only from the Company Secretaries.</li><li>• Please provide any suitable identification document (PAN card, Voter Identity Card etc) for the authorised signatory.</li></ul>
271.	<p><b>P 120 Clause 10 read with Clause 12(a)</b> Does it mean that Networth of only Group Bidding Entity and its promoters (if required) will need to be given irrespective of number of Associated Licensees? Is Point 12 a the only sub-point in the Clause?</p>	<p>Yes to both.</p>
272.	<p><b>Company seal – Signing of Application and undertakings</b> Does it refer to Common Seal of the company or the rubber stamp of the company?</p>	<p>Common seal of the Company.</p>
273.	<p><b>P 116, Point 11</b> Is Joint Undertaking required on letter head of respective Associated Licensee company only? There is no additional need to give such joint undertaking on Group Bidding Entity's letterhead. Please clarify.</p>	<p>The Joint undertaking will be jointly signed by the Associated Licensee and the Group Bidding entity and should be on the letter-head of the respective Associated Licensee.</p>
274.	<p>In light of the policy of technology neutrality and Unified Access Service licenses, are there any restrictions whatsoever on the use of the 800 /900 /1800 /2100 /2300 MHz, or any other spectrum band, for providing access services?</p>	<p>The permissible usage is governed by the provisions of the respective service licences.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
275.	Please indicate, minimum for the next 12 months, the policy with respect to a. Mergers & Acquisitions b. Lock-In of Promoter Equity c. Spectrum Trading d. Spectrum Sharing e. Subscriber Linked Criterion (SLC) for Spectrum f. Any move to auction in lieu of SLC	The current policy on these issues is in the public domain. The Government reserves the right to amend any policy after following due process. It may also be noted that TRAI is currently carrying out a consultation on some of these and related issues, which may or may not lead to a change in policy governing some of these issues. No guidance on timelines can be given on these policies at this stage.
276.	Please indicate expected fresh availability of spectrum for telecom usage for the next 12 months in the 800 /900 /1800 /2100 /2300 MHz bands along with presently available unallocated quantity.	The TRAI consultation paper dated 16th October, 2009 provides indicative details of the spectrum availability situation. Definitive details regarding future availability of spectrum are not available currently.
277.	Please indicate roadmap for refarming the 700 MHz band, including whether LTE would deploy FDD or TDD.	<p>The Government is working on co-ordination of spectrum and for making spectrum for commercial use available in the other bands, including the 700MHz band. It is not possible to provide timelines in this regard.</p> <p>The Government is keen to make use of spectrum technology neutral, and it is therefore difficult to commit at this stage on choice of technology for LTE.</p>

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## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
278.	<p>a. Is there any time frame, or any “off period”, before a follow up auction for the same spectrum bands that are currently planned for auction?</p> <p>b. The eligibility of winning /other bidders in participating in any such follow up auction.</p> <p>c. Would spectrum sharing and spectrum trading in the spectrum bands planned for auction be permitted?</p>	<p>a. There is no such “off period”. However, if there is an Auction within a period of 12 months from the date of completion of the relevant Auction in any of these bands, then the Reserve Price will be equal to the Winning Price in the current Auctions.</p> <p>b. Subject to adequate competition, it is not envisaged that there will be any restrictions. The competition criteria are currently included in the M&amp;A guidelines, however these may be changed from time to time, based on the Government’s assessment of the “adequacy” of competition.</p> <p>c. At present, spectrum trading and sharing are not permitted. However, it may be noted that TRAI is currently carrying out a consultation process on these and related issues, which may or may not lead to a change of related policy in future.</p>
279.	<p>The IM states that the winning bidder would obtain spectrum for 20 years, and the license would be extended to be co-terminus. The commercial terms, if any should be spelt out for such extension.</p>	<p>The UAS/CMTS licence with respect to spectrum being auctioned would get extended to 20 years from the date of award of right to commercially use the allocated spectrum, subject to the licensee complying with all the terms of the licence. As stated in the Memorandum, the commercial terms for extension in respect of usage of the relevant licence for any spectrum other than what is currently being auctioned have not yet been decided.</p>
280.	<p>Clarity on spectrum slots with respect to contiguity.</p>	<p>The frequency details are provided in the Notice Inviting Applications.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
281.	Time table for making access and backhaul spectrum available to the winning bidder, with compensation mechanism, if any, for delay.	Please refer Section 2.3 of the Notice Inviting Applications. Subject to the usual procedures, terms and conditions, and applicable charges, the WPC shall allot spectrum for Microwave backbone (in the below 10GHz band) and Microwave access (in the above 10GHz band; shared environment) to the winners of spectrum in the current Auctions, subject to availability. However, it must be noted that these frequencies are not part of the Auctions, are not bundled with the 3G Spectrum or the BWA Spectrum and payment of the Successful Bid Amount does not grant usage rights to such backhaul spectrum. Separate charges as applicable are payable for backhaul spectrum. Allotment of backhaul spectrum is a facilitating step that the Government proposes to undertake, without providing any binding commitment for the same.
282.	Please refer IM para 5.4 Roll Out Obligations. List of rural SDCA to be provided. Also whether spectrum term is used to include backhaul spectrum also?	<p>Short Distance Charging Areas is defined as per the definition used by the Census of India. Rural SDCA is defined as an area where 50% of the population lives in the rural areas based on prevailing census data.</p> <p>Backhaul spectrum term will be governed by the terms and conditions of award of backhaul spectrum and is not part of the spectrum being auctioned.</p> <p>Roll-out conditions are related to award of 3G or BWA Spectrum and not backhaul spectrum.</p>
283.	No of spots of backhaul spectrum?	Subject to the usual procedures, terms and conditions, and applicable charges, the WPC shall allot one carrier for Microwave backbone (in the below 10GHz band) and Microwave access (in the above 10GHz band; shared environment).

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
284.	Does the term “Effective Date” for allocation of spectrum refer to 2100 /2300 MHz spectrum? What about allocation of backhaul spectrum?	<p>It refers to the spectrum in the 2100/ 2300MHz band.</p> <p>Subject to the usual procedures, terms and conditions, and applicable charges, the WPC shall allot spectrum for Microwave backbone and Microwave access to the winners of spectrum in the current Auctions, subject to availability.</p>
285.	Reason for differences in Roll Out Obligations and Liquidated Damages between 3G and BWA.	Auction for BWA and 3G spectrum are independent of each other and conditions cannot be linked for these.
286.	Confirmation whether the definition of AGR is as per TDSAT judgement of August 2007.	The AGR definition is as per the licence condition. It may be noted that the Government is currently contesting the TDSAT judgement. As such, an operator’s participation in the Auctions will not prejudice either party’s legal position on the issue of AGR definition.
287.	Please refer IM J Page 1 150; where are these 4 phone numbers to be given.	The back-up procedures will be amended in the Notice Inviting Applications and adequate details will be provided therein.
288.	Please refer IM 8.1, Para 2; where would the EAS authentication documents to be provided, any by whom?	These will be mailed to the Bidders. Details will be communicated in due course.
289.	Please refer IM 8.3.1., Para 4 ; please clarify whether lowest rank bid of the clock round, or the clock price of the lowest rank bid.	Provisional Winning Price after any round shall be the lowest of the Provisional Winning Bids in that round.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
290.	Please clarify whether a bidder can bid for the same price again viz. if he escalates the bid in a round, would he be allowed to bid at a lower price in a subsequent round. Also in the event the bidder is the provisional winning bidder in round 1, does not participate in round 2, what would his status in round 3 be?	<p>The clock price will only move up, so a Bidder will not be able to revise its bid downwards.</p> <p>A Provisional Winning Bidder in round n, can either raise its bid in round n+1 (in case the clock price has moved up) or its bid from round n will continue to be valid. At the end of round n+1, Provisional Winning Bidders will be re-determined based on Provisional Winning Bids from round n and any new bids received in round n+1.</p>
291.	Please refer 8.3.2, Para 1 : Where would the bid be made? Would a new pop up window come up?	Bid will be made on web-based form in the EAS. The form will automatically appear in the browser window (no pop-ups). The Bidder interface is designed to be user friendly and easy to understand and prior demonstrations will be carried out for the convenience of the Bidder as well as a User Manual would be provided to the Applicants.
292.	Please refer Para 8.3.2, Para 4, Whether it will be forfeiture of the entire deposit? What happens if a bidder meets 9 bid commitments out of 10? Whether forfeiture would be for concerned circles or for all circles?	The Bidder needs to bid in at least one of the service areas in the first round, otherwise the entire deposit (across all service areas) will be forfeited.
293.	Please refer Para 8.3.2, Para 5: When would the fax forms be provided? Also clarify the meaning of “any other means”. Also clarify the statement that “auctioneer is under no obligation to accept bids other than through EAS”. Would the authorised signatory for fax forms be the same as the main signatory? How does the bidder know that the fax forms have been received?	This provision will be amended in the Notice Inviting Applications and will no longer be relevant. Please refer the Notice Inviting Applications for any back-up procedures.
294.	Please refer 8.3.4, para 1: Please clarify the statement – the activity of a bidder “may not” exceed its eligibility in the clock round. Pt. 26 is unclear.	“May not” implies that the bidder will not be allowed to exceed its eligibility in the clock round. Reference to Pt 26 in the query is not clear.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
295.	Please refer Para 8.3.5, Para 4 : The first lines state that provisional winning price will be equal to smallest of the clock round prices at which the provisional winning bidders submitted their winning bids. However the last lines of the same para state that the provisional winning price associated with provisional winning bid may increase if new bids are received from other bidders. This appears to be contradictory. Please clarify.	There is no contradiction. A Provisional Winning Price is the price which will <u>need to be paid</u> in case the Auction were to end at that point in time. However, the Provisional Winning Bid is the price which the Provisional Winning Bidder has <u>offered to pay</u> . Since, all Winning Bidders are to pay a common clearing price, the Provisional Winning Price may be up to one increment less than the Provisional Winning Bid offered by any Bidder. However, if in subsequent rounds, more Bidders offer to match the Clock Price, the list of Provisional Bidders will change and the Provisional Winning Price will be recalculated based on the new list of Provisional Winning Bids.
296.	Please refer Para 8.3.6, Para 2: Please clarify the sentence – ‘the total number of bids received in this service area at a clock round price equal to the Clock Round price set in the last completed Clock Round minus’.	The word “minus” precedes the quantity mentioned in the next bullet point.
297.	Please refer para 5, table 22: Please clarify whether the bids can be escalated only as per the chart given and not beyond the amounts specified?	Yes, however please refer to the Notice Inviting Applications for the final version of this chart.
298.	Please refer 8.3.7, Para 3 : When would the unused lots put for bidding again?	The Government reserves the right to decide on the timing. If an Auction for such lots is carried out within a period of 12 months from the completion of the relevant Auction, the Reserve Price will be equal to the current Reserve Price.
299.	Please refer 8.3.8, Para 17, page 72: “grant one or more Bidders additional Extension Budget.” – Is this discretionary?	This provision has been amended in the Notice Inviting Applications. Please refer the Notice Inviting Applications for the updated clause.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
300.	Please clarify as to how the clock synchronization would take place between the Auctioneer and the bidder.	The auction software will provide a common clock for the Auctioneer and all bidders, which is not linked to the system clock of the bidder. This is provided transparently in the web-pages that the bidder views and maintained in synchronisation with a centralised auction clock to a typical accuracy of one second or better, regardless of the time set on the local clock of the computer used to access the Electronic Auction System. However, bidders should note that they are responsible for ensuring that bids are <u>received</u> by the Electronic Auction System prior to the end of round (regardless of when the Bidder submitted the Bid). Bidders should note that transmitting and logging their decision takes a short but unpredictable amount of time and that no strategic or tactical advantage is provided by bidding late in a round.
301.	Please refer Para H.1 Application format for 3G Auction: a) Whether all annexure would be only for applicant or also for associated licensees. b) What is meant by Operative Licenses? Whether we would be showing IP licenses? c) Whether FIPB approval needs to be enclosed? If so, whether for all or only the applicant?	a) The documents which need to be submitted by the Associated Licensees have been indicated in the Notice Invited Applications. b) Clause 7 of format H.1 in the Revised IM clearly spells out the type of licences that are being referred to. c) FIPB approvals are required to be enclosed, if relevant, with the Application for the Applicant and Associated Licensees.
302.	Please refer H.9 / H.10 - Jt. Undertaking to nominate group bidding entity. The format mentions two authorized signatories. Whether these also have to be Directors as the format mentions?	Yes.
303.	Please refer Page 2 the amount paid for spectrum will be allowed to be amortized over the life of the spectrum. Is this any different from the current regime?	The current regime refers to amortization of licence fee.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
304.	Please refer Page 15; there is mention of digital certificate (supplied on CD) and number of passwords. What is the maximum number of computers on which this can be loaded. For a single bidder, bidding from one computer, on how many PCs can the bidding information be seen?	The software could be loaded on any number of computers, however only one computer per Bidder would remain active at any point of time. The bidding information can be seen from only one computer at a point of time, however bidders may log in from any computer at any location.
305.	Please refer last Para – Page 34 – “This would be decided post the completion of the Auction with a view to ensuring efficient utilization of spectrum such that operators are able to get contiguous spectrum to the extent possible” Please explain. Does it mean that this will be awarded contiguous to existing CDMA spectrum?	Auction for spectrum in the 800MHz band is not part of the current process.
306.	In case of a next auction, will this auction prices be used as floor or the same floor prices of this auctions will be used in future.	If a further round of Auction for 3G or BWA spectrum takes place within 12 months from the current round, the Reserve Price in such a round will be the same as the Winning Price in the current round for the respective service area.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
307.	<p>Will there be any restriction on usage of spectrum?</p> <p>a. Hypothetically if a UASL license holder wins a bid for 2.3Ghz block, will they be allowed to use the spectrum for pure voice calls rather than BWA services, if they procure the necessary equipment?</p> <p>b. Will ISPs allowed to offer VoIP services over 2.3GHz block using mobile devices?</p> <p>c. Will interconnect between BWA operator be a mandatory (through Nixi or similar mechanism)</p> <p>d. Will a special numbering plan for VoIP devices mobile or fixed be allowed</p> <p>e. Is interconnect between PSTN &amp; VoIP calls likely to be allowed in near future as a policy?</p> <p>f. Does Govt. have any plans to restrict commonly prevalent usage of VoIP services by unlicensed players e.g. Vonage, Google talk, Fring etc.</p>	<p>a. Usage is governed by the terms of the service licence.</p> <p>b. At present, only restricted internet telephony is allowed under certain ISP licences.</p> <p>c. Will be based on existing interconnect guidelines and any amendments thereof.</p> <p>d. No decision has been taken on this yet.</p> <p>e. This will depend on applicable policy with respect to Internet Telephony.</p> <p>f. Government is taking steps in this regard.</p>
308.	<p>The spectrum is to be used for BWA. Does this mean it is technology agnostic - Can one use WiMAX technology and later switch to LTE?</p>	<p>The permissible usage of the spectrum will be governed by the conditions of the service licence.</p>
309.	<p>Is VoIP going to be allowed on the BWA spectrum?</p>	<p>The permissible usage of the spectrum will be governed by the conditions of the service licence.</p>
310.	<p>If VoIP is going to be allowed, then is VoIP going to be allowed from SIP to SIP or SIP to PSTN / Cellular?</p>	<p>The permissible usage of the spectrum will be governed by the conditions of the service licence.</p>
311.	<p>The Auctions are going to be held in an e-Auction format. What are the contingencies if there is power outage at ISP / or break in communications on ISP's end during the e-Auction, and interested parties are unable to submit bid in a timely manner.</p>	<p>The Bidders are advised to make adequate back-up arrangements such as the ability to bid from multiple locations. This is not the Government's responsibility. Extension budgets have been provided in the Auction design for temporary break-down in internet connectivity.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
312.	How do we insure that ISP(s) do not block traffic to Auction site / or DoS (Denial of Service) attack on Auction server during the auction process?	Under any such exceptional circumstances, which impact the availability of the Auction server, the Government can restart the Auction from the previous completed round. Further, the Government has the right to disqualify and to pursue criminal charges against any Bidder that obstructs or attempts to obstruct the running of the Auction.
313.	When will the 2.5GHz spectrum be auctioned? Is the auction going to happen at the same time as the 2.3GHz, but allocated later, or is a separate auction going to happen at a later date.	A decision on the Auction of 2.5GHz spectrum will be taken only after the outstanding issues of interference with the Mobile Satellite System of the Department of Space are resolved.
314.	If a separate auction happens for the 2.5 GHz spectrum at a later date, it may lead to a situation where there is a disparity in the price of spectrum, giving certain bidders advantage.	Each Bidder will be working off the same available information and constraints.
315.	In the 2.3 GHz band, is there any possibility of the bidder selecting the appropriate slot of frequency or is it going to be randomly assigned by software.	Frequency blocks will be randomly assigned by the software.
316.	Roll out Obligations for BWA indicate that 90% of Metro and 50% of Rural SDCAs are covered within 5 years of Effective Date. What are the details of the Metrics of coverage?	Please refer to the relevant licence for further details on rollout obligations.
317.	Are there any annual metrics that need to be met in terms of coverage?	There are no annual metrics for rollout requirements but only at the end of 5 years from the time of allotment of spectrum.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
318.	A is holding UASL Agreements in 19 service areas and B is holding UASL / CMTS in Service area X & Service area Y respectively. C is holding x% equity in A directly and A is holding y% directly in B. It means C is holding z% directly in B and xx% indirectly in B. Please confirm that A is entitled to participate in the auction on behalf of B under “Associated Licensees”?	Yes, however only one of A and B can take part in the Auctions, not both.
319.	If C, in its capacity as Group Bidding Entity (for A & B) submits the application, please let us know whether the S.No. 1 to 10 (page no. 116 - Application Checklist), the particulars will be given of C only including single non-refundable application fee, net worth certificate, paid up capital, name of the applicant company, name and membership number of Company Secretary etc.	Yes.
320.	Will the operator get a single (generic) digital certificate that can be installed into all our computers, or will there be unique digital certificate for each computer? If unique, operators would need few digital certificates say minimum 4 digital certificates for 2 computers at the primary site and 2 computers in the backup site.	The operator will get a single (generic) cryptographic authentication token that can be installed into all of its computers, though it is recommended that this be installed in few and well secured computers. While the software could be loaded on any number of computers, however only one computer per Bidder can remain active at any point of time.
321.	Request that the telecom operators should be given more days to acquaintance themselves with the auction process and accordingly, the mock auction may commence from 8th January 2010 (after pre-qualification of bidders) till 12th January 2010.	Please refer the Notice Inviting Applications for timelines for the auctions. Any change in timing of mock-auction will be communicated well in advance.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
322.	The IM states that the qualification/eligibility for Bidding in the band of 800MHz is that the operator shall be a CDMA operator. However, no such restriction or stipulation exists for the auction in other bands. Therefore, the question that arises is, would it be fair and just to allow the CDMA operators to Bid for the other frequencies when a particular band is already being reserved for them?	Auction for spectrum in the 800MHz band is not part of the current process.
323.	For the bidders who are successful in the auction but do not possess a license (either UASL or ISP), the IM states that such bidders, thereafter, are under an obligation to procure such licenses. The question which arises in this respect is towards the rate at which the desired license will be granted to such successful bidders. Whether it will bear the existing price or will it be offered on a lesser price?	It will be as per the policy existing at the time of award of the licence. However, it may be noted that TRAI is currently carrying out a consultation process on related issues, which may or may not lead to a change in Government's policy in future.
324.	In furtherance of the above question a clarification is also sought on the grant of a new license to the successful bidders. Whether such license will also include the grant of 2G spectrum or not?	<p>It will be as per the policy existing at the time of award of the licence. As per current policy, UAS licensee can get start-up 2G spectrum subject to availability, which policy is under review as at present and therefore allocation of such 2G spectrum to new UAS licensees can not be taken for granted.</p> <p>It may be noted that TRAI is currently carrying out a consultation process on related issues, which may or may not lead to a change in Government's policy in future.</p>
325.	It is also suggested and urged that a roll out obligation for rural SDCA should not be made mandatory.	The rollout obligations are as specified in the Notice Inviting Applications.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
326.	<p>The IM also proposes that the initial allocation of the frequencies will be made randomly by the use of software. However, the Government reserves a right to change this allocation for the efficient use of the Spectrum. This particular clause seems to be a colourable one and an apparent and a direct speculation which arises from this clause is that of Giving From One Hand and Taking It Back From the Other. Please Comment.</p>	<p>The change in allocation merely refers to the Government retaining the ability to harmonize spectrum in future, in the interest of promoting efficient utilization of spectrum, if needed. To the extent possible, any exchange of frequency will be done in consultation with the users of the spectrum.</p>
327.	<p>A further clarification from DoT is also sought upon the time period within which it will return the Bank Guarantee/ Earnest Money Deposit (EMD) of the interested bidders who have been unsuccessful in qualifying for the Pre Bid Stage.</p>	<p>The Bank Guarantee for EMD will be refunded to unsuccessful Bidders at the earliest, after ensuring that there are no pending dues with respect to the Auction for the Bidder. However, no definite timeline can be committed.</p>
328.	<p>The proposed IM also speaks of Disqualification and Forfeiture of the Earnest Money Deposit of the bidders in certain circumstances. An elaborate and an unambiguous clarification, especially on the violation of auction rules (whether or not it includes trivial errors which may occur due to human error or other technical issues), will be much appreciated.</p>	<p>The Government reserves the right to forfeit the full EMD in case of any violations.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
329.	<p>We had a query regarding the process by which a foreign company can fill up the application form to participate in the BWA Auction. A foreign company would not have a company secretary. There is a discrepancy in the Revised Information Memorandum (“IM”) regarding the method of certification of the Incorporation Document of the foreign company which needs to be filed along with the application form. The Application Checklist contained in Annexure H of the IM states that in case the Applicant is not an Indian company, the incorporation documents have to be certified by a Company Secretary registered in India. However the Application Format provided in Annexure H.3 states that Incorporation Documents have to be certified by a Company Secretary or Authorized Signatory.</p> <p>Please kindly clarify the position whether the documents to be filed by the foreign company have to be certified by the Authorized Signatory or by a Company Secretary.</p>	<p>The incorporation documents need to be certified by a Company Secretary registered in India.</p>
330.	<p>Under what conditions will the auctioneer increase the Activity Requirement from 80% to 90% and from 90% to 100%? For instance, is this determined by some measure of total excess demand, and if so, what is that measure and at what values will the Activity Rule be increased?</p>	<p>The level of Activity Requirement will be a function of overall activity levels and will be determined by the Auctioneer. Sufficient advance intimation will be provided to Bidders before the activity levels are changed in any round.</p>
331.	<p>8.3.2 (Page 64) says "... If a bidder was a Provisional Winning Bidder in the immediately previous clock round, and the Clock Round price in the current round is equal to that in the previous round, then there will be no tick-box shown on the bid form to make a new bid, as under these circumstances it is not possible for a bidder to increase its current Provisional Winning Bid. ..."</p>	<p>No tick box is shown on the bid form only under the specific circumstances described in the extract of Section 8.3.2 quoted by the questioner. Under these conditions, the bidder already has a Provisional Winning Bid for the service area in question at the current Clock Round price, even though this was made in the previous round. As there is no opportunity for the bidder to increase its</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
	<p>8.3.4 (Page 66) describes activity as "... After the first Clock Round, [activity is] the sum of: (i) the Eligibility Points associated with service areas in which the Bidder has been determined to be a Provisional Winning Bidder at the end of the last completed Clock Round (regardless of whether or not this bid is raised by the Bidder in the current Clock Round); and (ii) the Eligibility Points associated with service areas where the Bidder has not been determined to be a Provisional Winning Bidder at the end of the last completed Clock Round and in which the Bidder submits a bid in the current Clock Round (referred to as "New Bids"). ..."</p> <p>Our question in relation to this is best highlighted by using an example:</p> <p>Assume that the activity rule is 100% and that Bidder B has sufficient eligibility to bid only in Delhi. For Delhi, where there are 2 blocks of spectrum in the auction.</p> <p>In round n-2, the Clock Round price is 100. Bidders A and B each place a bid and there are no other bidders [although there are bidders and excess demand in other circles]. Both Bidder A and Bidder B are Provisional Winning Bidders. Excess demand is zero (as #bids = #blocks). Each of Bidder A and B maintains its eligibility into the next round because each is a Provisional Winning Bidder. The auction continues to another round as there is excess demand in at least one circle.</p> <p>In round n-1, the Clock Round price increases [to 102] as excess demand = 0 in round n-2. Bidder A submits a bid but Bidder B does not submit a bid and there are no other bidders [although there are bidders and excess demand in other circles]. Both Bidder A and Bidder B are</p>	<p>bid under these circumstances, no tick box will be shown on the bid form.</p> <p>A Provisional Winning Bidder will be allowed to bid (check the tick-box) if the Clock Round price in the current round is higher than the Clock Round price at which the Bidder became a Provisional Winning Bidder (and subject to the activity rules). However, this is a different situation to that envisaged in the quoted text from Section 8.3.2.</p> <p>Therefore, under the hypothetically example offered in the question, bidder A will already have a provisional winning bid at the current Clock Round price of 102 in Round n and so will not be offered a tick box on its bid form. However, bidder B does not have a provisional winning bid at a price of 102, so will be offered a tick box to make a bid at 102. Subject to not making new bids in other service areas, Bidder B will have eligibility to make such a bid in Round n as it was a provisional winner in Round n-1.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
	<p>Provisional Winning Bidders. Excess demand is negative. Each of Bidder A and B maintains its eligibility into the next round because each is a Provisional Winning Bidder. The auction continues to another round as there is excess demand in at least one circle.</p> <p>In round n, the Clock Round price remains the same as in round n-1 (=102) as there was negative excess demand in round n-1. According to 8.3.2 in the information memorandum, neither Bidder A nor Bidder B will be able to submit a bid, despite each having eligibility to do so.</p> <p>If in round n (or in subsequent rounds following rounds of no bid activity in Delhi), with the Clock Round price still at 102, Bidder C submits a bid in Delhi, Bidder A and Bidder C will become the Provisional Winning Bidders (as they are the only 2 bidders to submit a bid at the current clock round price) and Bidder B will lose its eligibility (and will exit the auction) as it is no longer a Provisional Winning Bidder and did not (and could not) submit a bid in the current clock round.</p> <p>Is it correct that under this example, Bidder B will lose its eligibility despite being a Provisional Winning Bidder after round n-1 and being denied the opportunity to increase its bid in round n?</p>	
332.	<p><b>Requirement:</b> The Applicant has to declare Net Worth, Paid up Capital and Equity percentage as per point no. 6(a) of the Application form.</p> <p><b>Issue:</b> However, the date as of which date the above details should be mentioned is not clarified in the Information Memorandum.</p>	<p>These details have to be provided as of the date of last audited financial statement but not older than one year from the date of application.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
333.	<p><b>Requirement:</b></p> <p>(a) As per point no. 6(a) of the application form, the applicant has to declare the names of promoters/ partners/ shareholders in the company. The applicant has to give bifurcation between Indian and Foreign equity and promoters details to be given separately. The applicant can club equity holding upto 5% of the total equity shared among various shareholders.</p> <p>(b) Further, the net worth and paid up capital is required to be given for all the promoter/ partner / shareholder.</p> <p><b>Issue:</b> 1. How to present the names of various shareholders other than promoters who individually holds less than 5% but when clubbed aggregates to more than 5%?</p> <p>2. Whether the category of shareholder is to be mentioned or the individual names can be mentioned?</p> <p>3. The net-worth and paid up capital required to be given for promoter / partner / shareholder should represent share of respective person in the applicants net-worth and paid up capital or net worth and paid up capital of the individual promoter / partner / shareholder is required to be given.</p> <p>4. What is the definition to be used for classification of equity as Indian / foreign?</p>	<p>1. Shareholding of individual unconnected shareholders with less than 5% stake could be clubbed together and shown in an “others” category.</p> <p>2. Individual names have to be mentioned for each of the shareholders which have more than 5% of the total equity of the Company.</p> <p>3. Net worth and paid up capital of the individual promoter/ partner/ shareholder is required to be given to the extent these are required to meet the specified net worth criteria in the UAS guidelines.</p> <p>4. Please refer the Press Note No 2 (2009 Series) issued by Department of Industrial Policy &amp; Promotion, Ministry of Commerce &amp; Industry, Government of India.</p>

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## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
334.	<p><b>Requirement:</b> As per clause 5 of the application form, authorised person is required to be designated and his specimen signature needs to be counter signed by the authorised signatory.</p> <p><b>Issue:</b> 1. Issue: Do Authorised Person needs to be different from Authorised Signatory? 2. Whether authorised person needs to sign the application form and any other document. 3. Further, are there any specific requirements for determining who is authorised signatory.</p>	<ol style="list-style-type: none"><li>1. Authorised Person could be the same as the Authorised Signatory.</li><li>2. Details for verification of each form have been provided in the application format.</li><li>3. Authorised Signatory would be as authorised by the Board of the Company for executing such contracts.</li></ol>
335.	<p><b>Requirement:</b> The applicant has to submit a joint undertaking to nominate group bidding entity in cases where the applicant is bidding on behalf of its Associated Licensee. For submitting the undertaking the Authorised representative of the associated licensee needs to sign the undertaking.</p> <p><b>Issue:</b> 1. Whether a separate Board Resolution is required with Power of Attorney to determine the authorised signatory of the company and associated licensee? 2. Further, on behalf of group bidding entity, the declaration has to be signed by two authorised signatory, whether, the same is required to be signed by authorised person.</p>	<ol style="list-style-type: none"><li>1. Authorised signatory of each company (Applicant as well as Associated Licensee) needs to have been authorised by the respective Boards of the companies.</li><li>2. On behalf of Group Bidding Entity, the declaration has to be signed by two authorised signatories only. The Authorised Person could also be an authorised signatory.</li></ol>
336.	<p><b>Requirement:</b> As per clause 12 of the application form, net worth of the Company is required to be provided.</p> <p><b>Issue:</b> Definition of net worth is not provided. Whether the definition of net worth as provided in UASL can be used. In particular, how to treat the following while computation of net worth: - Share Application Money - ESOP Outstanding</p>	<p>Please use the definition of net worth as provided in the Guidelines For Unified Access Services Licence issued by the Ministry of Communications and Information Technology, Department of Telecommunications.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
337.	<p><b>Requirement:</b> As per clause 10 of the application net worth required for the licence is required to be provided.</p> <p><b>Issue:</b> In case the requisite licences are already held by the applicant, then whether the information for eligible network is required to be given or not.</p>	<p>The information still needs to be provided.</p>
338.	<p><b>Requirement:</b> Prospective Bidders are required to submit: Notification of the initial number of Eligibility Points applied for</p> <p><b>Issue:</b> 1. Are bidders required to mentioned name of circle they are bidding for or just mention the total number of Metro, A,B &amp; C category of circles</p>	<p>Bidders are required to only mention the number of Eligibility Points that they are applying for, without mentioning specific circles or even category of circles. Please also refer to the detailed rules with respect to Eligibility Points contained in the Notice Inviting Applications.</p>
339.	<p><b>Requirement:</b> In Rajasthan and North East, no block of 2.1GHz band (3G spectrum) is available for auction.</p> <p><b>Issue:</b> 1. Whether the company is required to deposit the earnest money deposit in respect of these circles 2. Further, in the clause 10 of the application, whether these two circles needs to be considered for computation of requisite net worth.</p>	<p>Please refer to the Notice Inviting Applications for final details about availability of 3G Spectrum.</p> <p>1. There is no need to deposit EMD in respect of circles where auction is not being conducted. 2. Circles where auction is not being conducted need not be considered for computation of requisite net worth.</p>
340.	<p><b>Requirement:</b> As per clause 8 of the application, ownership details of each of the Associated Licensees establishing the shareholding of the Common Parent in each of the Associated Licensees.</p> <p><b>Issue:</b> Date as of which date the above details should be furnished is not clarified in the Information Memorandum.</p>	<p>This should be current information.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
341.	<p><b>Requirement:</b> As per the certificate / undertaking in the application there is clause which states as :</p> <p>"I hereby certify that the Applicant will intimate the DoT promptly in case of any change in the information submitted as part of the Application"</p> <p><b>Issue:</b> Do even small changes in information furnished (e.g. change in phone no. of authorised representative, change in shareholding, which gets changed frequently) needs to be notified.</p>	<p>All changes need to be notified to the DoT. Changes in shareholding of any of the shareholders with more than 5% equity stake (whether at the time of application or subsequently) in the Company need to be notified to DoT.</p>
342.	<p>Whether various details viz. net worth, paid up capital etc required to be provided in the application should also include the details of the associated companies</p>	<p>These need to be included to the extent they are required or have been asked for.</p>
343.	<p><i>Timing of the BWA auction</i></p> <p>From the information presented at the pre-bid meeting, it appears to us that bidders for BWA appear to have just two days notice of the start of the BWA auction. This is a short amount of preparation time, particularly for international bidders. Additionally, bidders who are participating in both the 3g and BWA auctions will have more advanced information than BWA only bidders.</p> <p>We would propose that either a longer notice period for the start of BWA be utilised (1 week is suggested) or alternatively to select a fixed start date instead. Additionally, providing registered BWA bidders with information about the timing of steps ups in the activity requirements from 80% to 90% and then from 90% to 100% would help indicate progress.</p>	<p>Regular updates on progress of 3G Auction would be provided in the public domain. There is therefore not expected to be any information asymmetry between Bidders.</p> <p>It may not be possible to provide more than 2 days notice before the start of the BWA Auction.</p> <p>Step-ups in the activity requirements will be a function of overall activity levels and will be determined by the Auctioneer. Sufficient advance intimation will be provided to Bidders before the activity levels are changed in any round.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
344.	<p><i>Information about the 3g auction bids</i></p> <p>In view of the sums of money involved, we would expect the outcome of the 3G auction to affect behaviour in the subsequent BWA auction. Our understanding of the decisions about dissemination of the results of the 3G auction bidding is that nothing will be released to people who are not 3G bidders until the end of the 3G auction, which could be just 2 days before the BWA auction starts.</p> <p>In our view, this puts bidders registered for the BWA auction only at a disadvantage compared to bidders who are registered for both the 3g and BWA auctions, since the latter will have access to considerably more information (and considerably earlier) about the demand for 3g spectrum (and it's possible impact on the appetite for BWA spectrum) than bidders who are registered for BWA only.</p> <p>This asymmetric access to information could be compensated by either allowing more time between the two auctions for BWA only bidders to assimilate the results or better still by giving registered BWA bidders access to the results of each round of the 3g auction.</p>	<p>Regular updates on progress of 3G Auction would be provided in the public domain. There is therefore not expected to be any information asymmetry between Bidders.</p> <p>Bidder specific details of the 3G Auction will be provided to everyone (including Bidders in the 3G Auction) at the same time at the end of the 3G Auction.</p>
345.	<p><i>Information about future BWA spectrum awards</i></p> <p>We would support the inclusion of as much information as possible about the government plans for issuing further BWA spectrum bands prior to the auction.</p>	<p>The Government is attempting to provide as much clarity on current and likely spectrum availability as possible.</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

No	Query	Response
346.	<p>As per point 4(a), Page 1 of the application format, passport number is required to be given of the authorised signatories of the different companies that are signing the Application or any attachment to it.</p> <p>1. Please confirm that in those cases, where the authorized signatory is not possessing any passport, other documents like Driving License etc. will be acceptable?</p> <p>2. Please also confirm that in those cases, where the name or surname of the person, who is signing the document, has changed due to marriage and the supporting documents is not matching the current name &amp; surname, such document will be acceptable. For instance, the name of the person in the PAN CARD is Rachna Gupta (issued before marriage) and the current name is Rachna G. Singh.</p>	<p>1. Please provide any suitable identification document (PAN card, Voter Identity Card etc) in such a case.</p> <p>2. Please provide document with updated name.</p>
347.	<p>As per the point 3 of H4 annexure format for Earnest Money Deposit and page no. 58 of the IM dt. 23rd Oct, 2009, the bank guarantee should remain in force upto 6 months from the date of issue, further extendible by another six months on request. While as per point 4 of the same EMD format (H4 annexure), it is mentioned that the bank guarantee shall remain in force until one year. Both these points appear contradictory as to the validity period of the bank guarantee.</p> <p>Please clarify if the bank guarantee should be issued for 6 months validity with the provision that it should be further extendible for another 6 months upon request OR it should be straight away issued with 1 year validity?</p>	<p>The Bank Guarantee has to remain in force for a period of 1 year.</p>
348.	<p><b>Facts:</b> Whether Company X can bid through various subsidiary Companies? Company X form new subsidiaries with different foreign partners i.e. Subsidiary</p>	<p>It has been made clear that there can be only one bidding entity from a Group in any of the auctions. Company X therefore cannot have multiple</p>

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
	<p>1, Subsidiary 2 and so on.... These subsidiaries bid for the various circles.</p>	<p>subsidiaries bidding in the same Auction.</p>
	<p>Company X owns more than 10% in each of the subsidiaries. As per the Ownership restrictions prescribed in Clause 7.2.2 of Section VII titled 'AUCTION DETAILS' (Page 57 of the Memorandum), no two applicants in any of the Auctions should have same entity owning 10% or more of the equity.</p>	<p>I. Different subsidiaries cannot bid for the BWA Auction of different circles. Auctions of different circles are considered as part of the same BWA Auction.</p> <p>II. This question is not relevant since there can only be a single Group Bidding Entity from Company X.</p>
	<p><b>Clarifications sought:</b></p> <p><i>I. Clarification over the meaning of term Auction is required here.</i></p> <p>Whether the above-mentioned subsidiaries can bid for the BWA Auction of different circles? Will auctions of different circles be considered different auctions or will the BWA Auction, be it of different circles be considered the same?</p> <p>It may be noted that it has been provided in third para of Clause 7.2.3 of Section VII titled 'AUCTION DETAILS' (Page 58 of the Memorandum) that flexibility has been provided in Auction rules to bid across service areas. So it appears that the subsidiaries can bid for the various circles.</p>	<p>In a situation, where a Successful Bidder is a Prospective New Entrant, it has been clearly mentioned that the spectrum shall be assigned to it or to a Company nominated by the Successful Bidder, which acquires the relevant license and where the Successful Bidder has a minimum holding of at least 26% (directly or indirectly).</p> <p>In such a case and considering the issue highlighted in the question, it may be advisable for Company X to bid directly in the Auction rather than through a subsidiary.</p>
	<p><i>II. Clarification is required whether subsidiaries nominate Company X to perform after winning the bid.</i></p> <p>Assuming that these subsidiaries win the bid. At the time of bidding, they will attract the category of Prospective New Entrants as none of them possesses the License.</p> <p>If after winning, they have the option to either obtain the ISP License themselves or nominate some entity on their behalf but the winning Company should hold at least 26% shareholding in the nominee Company. Suppose the winning subsidiary appoint their parent Company, Company X. Will the condition of holding of 26% shareholding by the</p>	<p>III. Please refer Section 4.2.3 (b) and Section 3.3 of the Notice Inviting Applications in this regard.</p>

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## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
	<p>winning entity still apply here? Because the purchase of shares of holding Company by a subsidiary Company is prohibited under Section 77 of Companies Act, 1956.</p> <p><i>III. Clarification is required over the concept of Associated Licensees.</i></p> <p>Para 5.2 of the Section V titled ‘ELIGIBILITY REQUIREMENTS’ (Page 39 of Memorandum) states that in case of Associated Licensees, that two or more licensees controlled by a single common entity and also holding 26 % shareholding in them, they are required to nominate a single entity (Group Bidding Entity) to bid on their behalf for the purpose of any of the Auctions. More than one Associated Licensee having the same Common parent shall not be allowed to enter any of the Auctions, even if they intend to bid for different non-overlapping service areas.</p> <p>Does this condition apply even to Prospective New Entrants if they satisfy all other conditions except that of holding a license? In other words, the various subsidiaries formed by Company X for bidding in different circles , they are controlled by a single entity – Company X is holding 26% shareholding in them but none of them are the licensees, so are they required to nominate some common entity on their behalf?</p>	
349.	Please provide information about license fees microwave access backhaul point to point details.	Charging for backhaul spectrum will be as per the applicable licence (UASL or ISP). Under UASL, the charging is on revenue share basis, while under ISP it is on link basis.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
<b>Questions from the previous list</b>		
350.	What is the status for current use of frequencies adjacent to the lots being sold in the auction?	The frequencies adjacent to the lots being sold in the auction are being used by Government departments, primarily defence. Details cannot be provided at this stage due to confidentiality issues.
351.	Can you provide us with draft licenses for the three bands? If not, please provide information on Block Edge Masks, power constraints, duplex requirements, interference management and cochannel (geographical) inter-circle and international coordination.	The UAS/ CMTS/ ISP licence, as applicable, would be suitably amended for the 3G and BWA Spectrum usage. Technical parameters are as per the ITU standards.
352.	How will interference between 2.1 GHz and future use of the non-overlapping part of 1900 MHz 3G operations be mitigated? Who would bear the costs?	The DoT would endeavour to ensure that there are no interference issues with the future use of the non-overlapping part of 1900 MHz 3G operations. Costs, if any, would need to be borne as per licence conditions.
353.	Please confirm that as of now, no documents need to be purchased to apply, but we only have to pay the processing fee with the application.	The last date for application would be specified by the DoT in the Notice Inviting Applications. Duly completed Application form, along with supporting documents as indicated, processing fees and Earnest Money Deposit need to be submitted. No documents need to be purchased as of now to apply. Please refer to the Notice Inviting Applications for details.
354.	* has a CMTS license in Chennai and Tamil Nadu. Which CMTS license shall be eligible to bid for the Tamil Nadu circle post clubbing of Chennai and Tamil Nadu circles?	Both the licensees would be eligible to bid for the spectrum, subject to rules governing Associated Licensees.
355.	Is there any minimum throughput requirement for 3G and BWA as service standard?	The quality of service standards would be as per the TRAI regulations, specified for operators.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
356.	What is the duration during which UAS license need to be acquired, post winning the bid for a circle, where the entity does not have a UASL/CMTS?	The Successful Bidder would need to submit its completed UAS application form within 3 months of being declared as Successful Bidder.
357.	Will the winning bidders of 3G auction in a circle be released the spectrum at the same time? Or will it be determined on some preferences? Is there any clarity on whether all the auctioned spectrum bands are available for release immediately?	Please refer Section 4.6 of the Notice Inviting Applications. Subject to a separate application for the spectrum having been made in the prescribed format, the Government intends to allocate the specified spectrum to all the Successful Bidders or the relevant licensees, within 15 days of receipt of the Successful Bid Amount. The Successful Bidders will be allowed to commercially use such spectrum from 1 <sup>st</sup> September 2010.
358.	What happens if a foreign winning bidder is not able to comply with UASL/FIPB norms for commencement of operations? What happens to the slot allocated to them? Does it get offered to the next highest bidder?	<p>The Government would endeavour to make the UAS licence available to such a Bidder, provided it meets the requirements for obtaining a UAS licence.</p> <p>If the bidder fails to obtain a UAS licence, such spectrum will not be granted to the next person, but would be auctioned separately, with the Reserve Price being equal to the winning price established in the original auction provided this auction is conducted within 12 months of the original auction.</p>
359.	Whether voice and interconnection is permitted to BWA operator? It is worthwhile to note that present ISP licence does not permit this.	The award of BWA spectrum by itself does not confer the right to provide services. An operator may provide only those services for which it has a licence. The current Auction deals with grant of spectrum, not licence.
360.	Since BWA and 3G are basically data-oriented services, whether availability of data services while moving in a car at a speed of 80km/hr will be mandated for rollout obligations. If so, then what data speed is expected and what will be the testing procedure?	There is no such requirement at present.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
361.	Whether spectrum efficient techniques in devices are permitted to be deployed? (If not, the same may be enumerated. It is understood that Department does not allow such techniques.)	Spectrum efficient techniques in devices are permitted to be deployed and are encouraged subject to meeting other licence conditions.
362.	Please clarify clubbing of 5% shareholding.	Single unconnected entities holding less than 5% shareholding may be clubbed together.
363.	Net worth and paid up capital - is it required for all shareholders or only for promoters.	This is required only if the Applicant needs to include these in the net worth and paid up capital calculations for UAS licence.
364.	Authorization - whether separate format for signing authority and decision maker?	<p>There is no specific format for the authorised signatory. The authorised signatory should be authorised by the Board of the Company for signing and submitting the Application.</p> <p>There is no specific format for the Authorised Person. There should be a Power of Attorney in favour of the Authorised Person empowering him/ her to take all decisions connected with the relevant Auctions, on the Bidder's behalf, including but not limited to the authority to put in bids in respect of any of the service areas and to commit payment of the necessary amount if the Bidder is granted spectrum in that service area.</p>
365.	As per the requirements, all supporting documents are to be separately signed along with rubber stamp by the authorised signatory or company secretary. Also name and designation of the signatory must also appear. There may be more than 100 pages of Memorandum and Articles of Association or other documents, whether all the pages of said documents are to be signed by the signatory or main page can be signed and certified.	All the pages of said documents are to be signed by the signatory.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
366.	What information about the Bidders' identities, their eligibility points and their bid prices will be available before and during the auction process? For example, at the start of each clock round, will the eligibility and identity of bidders be revealed and what prices?	Bidder's identities and their initial eligibility points will be announced after applications have been received. Each bidder will be told its own eligibility in each subsequent clock round, but will not be told the eligibility or identity of other bidders.
367.	Does the 5MHz spectrum band include the guard band?	Yes.
368.	If H1 is the clearing price and entity who finishes at H4 is not willing to pay H1 price, what is the result?	Please refer to the Auction Rules in detail. The specified problem will not arise under the auction design described in the Notice Inviting Applications.
369.	Please clarify that a new operator, who is not having the UAS/ CMTS has to necessarily produce the 3G experience certificate. No exemption is made for Foreign and Indian company.	Yes.
370.	Would a Bidder know whether a Bidder is a provisional winning Bidder due to "Total Value of Bids" or due to "Random Number"?	No. Provisional Winning Bidders will be informed of their ranking amongst all other provisional winners for that service area, but no further information related to the ranking will be supplied.
371.	When an UAS licence is obtained by a winner of a 3G spectrum, is it mandatory for the existing 2G service providers to mandatorily provide roaming?	There is no mandatory roaming as on date. Roaming arrangements are as per terms of applicable licence, TRAI recommendations and bilateral arrangements between operators.
372.	Can successful bidder give the licence on lease to other parties?	No. Leasing of licence is not permitted.
373.	As per the existing licence agreement, an ISP operator is not subject to any rollout obligations, however, the same cannot be a ground to relax the rollout obligations for an ISP operator.	An ISP operator would also be subject to roll-out obligations as per the requirements for BWA Spectrum.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
374.	Application Requirements: Can a company be allowed to authorize more than one person for the auction activities?	Applicants are required to authorise one person for the auction activities, in whose favour there should be a Power of Attorney empowering him/ her to take all decisions connected with the relevant Auctions, on the Bidder's behalf, including but not limited to the authority to put in bids in respect of any of the service areas and to commit payment of the necessary amount if the Bidder is granted spectrum in that service area. However Applicants could authorise one more person, who could act as the alternate Authorised Person in case of unavailability of the primary Authorised Person. In case of any duplication of submissions made by the Applicant, the submission signed by the primary Authorised Person would be considered as final and binding.
375.	In case after submitting 3G bid application, there is an infusion of fresh capital in the company and after due intimation to DoT, can the company continue to remain eligible for participating in the auction process? If any additional formalities are required to be completed, kindly indicate.	Applicants are required to inform the Government promptly in case of any change in the information submitted by them as part of their Application. DoT would then decide on a case-to-case basis on whether the Applicant should be allowed to continue in the Auction process.
376.	Auction Rule - Submission of bids should be simultaneous or in chronological order individual or consolidated (circle by circle or as a group)?	Submission of bids would be simultaneous across all service areas, as explained in detail in the Auction Rules.
377.	Venue of mock auction?	The mock auction would be run over the Internet.
378.	Is there any cap on number of participants from the bidder company for mock action?	Only one participant (ie logged in user of the Electronic Auction System) would be allowed from a bidder company, as would be the situation in the actual Auction.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
379.	Is it possible for the bidding company to amend its bidding after verification by the auctioneer? If yes, how many times one can use such privilege?	Submitting a bid will be a two-step process. During rounds, the Electronic Auction System will display a bid form listing all the service areas. A completed bid form is first submitted to the Electronic Auction System for checking. If these decisions conform to the Auction Rules, the Bidder may then confirm the bids. Alternatively, the Bidder can return to the original bid form and enter different bids. There is no limit to the number of times that a Bidder may check a decision and then cancel this and return to the original bid form. However, once a Bidder has taken the second step and confirmed its decision, it is not possible to modify it subsequently. These functions of the Electronic Auction System will be clarified further in the software manual made available to Bidders prior to the auction.
380.	When will the auction software be available?	Cryptographic authentication tokens and login details to access the Electronic Auction System will be provided to Applicants following submission of their applications. No specific software will be provided to bidders, as the Electronic Auction System is an online application service. An outline of the computing requirements for accessing the Electronic Auction System will be provided in the Notice Inviting Applications. Bidders will receive a detailed manual for using the Electronic Auction System prior to the mock auction.
381.	What are the technical requirements (Power, PFD etc) for the winning operators?	There are no specific DoT guidelines or specifications on these and operators are required to meet the ITU/ other international standards on these.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
382.	Can a Category B ISP licensee having one service area bid for BWA spectrum for all the service areas? If it succeeds in same service area only or in same service area and other service areas or only in one or more other service areas then it will be required to convert to Category A ISP. Please clarify that it will not require a UASL in all three scenarios?	Yes. It will need to convert to Category A ISP if it wins spectrum in any service area. It is not required to have a UAS licence if it wishes to offer BWA services under an ISP licence.
383.	The IM states that the auctions are separate and independent processes. In view of this, the pre-qualification conditions for the bid processes will be carried out as if separate auctions are being conducted. For example, company A & B of same parent with company A bidding in 3G and company B bidding in BWA would be okay. Is it correct?	This is correct.
384.	If the payment date is Saturday / Sunday / Public Holiday, whether the payment will be made following day or any other day?	Please refer to the Notice Inviting Applications for the provision in this regard.
385.	What is the procedure for changing the authorised person once the auction has begun?	Applicants are required to inform the Government promptly in case of any change in the information submitted by them as part of their Application. DoT would then decide on a case-to-case basis on whether the Applicant should be allowed to continue in the Auction process.
386.	If multiple bidders trigger a clock round extension, will the number of bidders triggering the extension be released?	No.
387.	In each Clock Round, a bidder's decision will consist of a Yes/ No choice of whether to make a bid on each of the 22 service areas - whether a bidder is required to decide Yes/ No only or it will be followed by a bid amount also?	In each clock round, a Bidder is required to decide Yes/ No to a lot in a service area at the prevailing clock round price. The Bidder cannot specify any different price level.

## Auction of 3G and BWA Spectrum – Queries & Responses

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No	Query	Response
388.	Please clarify whether a bidder can bid for the same price again viz. if he escalates the bid in a round, would he be allowed to bid at lower price in a subsequent round.	Bidders are allowed to bid only at the Clock Round price set by the Auctioneer for a particular Clock Round.

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