

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

Queries & Responses
To
Notice Inviting Applications
Dated 30th January 2013

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

20th February, 2013

No.	Query	Response
1.	<p>General:</p> <p>Could you please confirm that companies/ licensees whose licenses are slated to be quashed as per the direction of Supreme Court will be entitled to participate in the auction through another company that is controlled by a common entity with not less than 26 % shareholding in both entities directly or indirectly (Affiliate Company) and that in the event the Affiliate Company becomes a Winning Bidder, the licensee shall be permitted to transfer all its business or any part thereof, either by acquisition of shares or through the sale of the business as a going concern, to the Affiliate Company.</p>	<p>Please refer section 3.4 of the NIA.</p> <p>Business transfer will be governed as per extant laws, rules and regulations.</p>
2.	<p>General:</p> <p>Could you also confirm that upon completion of the transfer of the business from companies/ licensees whose licenses are slated to be quashed as per the direction of Supreme Court to the another company that is controlled by a common entity with not less than 26 % shareholding in both entities directly or indirectly(Affiliate Company), the Government will transfer to the Affiliate Company, all resources and approvals accorded to the licensee for the conduct of its operations, including but not limited to:</p>	<p>a) Existing roll out obligations</p> <p>b) All backhaul spectrum – access and backbone</p> <p>c) Approvals such as SACFA,</p> <p>a) Holders of quashed licenses need to re-offer to TERM Cells the roll-out for testing.</p> <p>b) The microwave access and backhaul spectrum is expected to remain unchanged unless any specific situations require a review.</p> <p>c) SACFA clearances are to be revalidated,</p>

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	Deployments & Wireless Operating license	wireless operating licenses are to be obtained afresh, deployment plans to be re-submitted and approvals obtained.
	d) All existing mobile number series, Signaling point codes, MCC, MNC, GT codes allocations	These resources are expected to remain unchanged unless any specific situations require a review.
	e) All other approvals from DOT / MHA / other Central and Local Government agencies like Lawful Interception, EMF Certifications, ROW, Site Clearances, pollution Control	Same as above. However, the licensees may check themselves about the clearances relevant to the state/ Central Governments/ local bodies.
3.	General:	
	Could you please confirm, with reference to (1) and (2) above, that the Government will, through appropriate clarifications in the NIA, lay out a clear mechanism and steps for effecting the transfer of all resources and approvals essential for the continuity of business to the Affiliate Company from the quashed licensee.	Please see response to 1 and 2 above.
4.	Clause Reference: (1.3 (para 3)), 4.2.6, 5.1 Page Reference: 7, 40, 45-46	
	For the purpose of forthcoming auction of spectrum can an applicant make use of digital signatures used by it in the auction of spectrum held in November 2012, given Authorised Person(s) is same.	The Bidders can make use of the same Digital Signature Certificates (which they had used in the auction of Spectrum conducted in November, 2012), provided the Authorised Person(s) is same. The bidders are also requested to ensure that the validity of the DSC(s) is till at least 6 months from the start of the e-auction.
5.	Clause Reference: 3.1 (ii) Page Reference: 17	
	Assuming Applicant 'A', an Indian Company, fulfills the eligibility for obtaining a UL(AS). A has also acknowledged Letter of Intent issued by DOT against the UL(AS) applications made by A post auction of spectrum in 2012. Would A be required to submit an undertaking to obtain UL (AS) as part of its application to participate in forthcoming auction of spectrum?	Yes. Undertaking as prescribed.

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6.	<p>Clause Reference: 3.2 (xi), 4.2.3 (d) second last para Page Reference: 19, 39</p> <p>As per 3.2(xi) and 4.2.3 (d) an applicant needs to furnish a certificate of paid up capital signed by Company Secretary/ Statutory Auditors of the applicant company and countersigned by duly authorised director of the Company. Whereas, the corresponding point 10 of the application format (page 133) provides that such certificate can be signed by Company Secretary only. Please clarify.</p>	<p>Certificate of Company Secretary is adequate.</p>
7.	<p>General:</p> <p>The reserve price mentioned in the NIA for the Metro circles for 1800 MHz band is very high and there is a risk that this spectrum may again remain unsold due to insufficient demand at this price level. Therefore, we request that the reserve price for Metro circles for 1800 MHz be reconsidered and reduced appropriately.</p>	<p>No change in NIA conditions.</p>
8.	<p>Clause Reference: 4.2.3 (b), 9.3.1 and 9.3.3 Page Reference: 38</p> <p><i>4.2.3 (b) Ownership restrictions: “.....Similarly, for the purpose of bidding for spectrum by promoter holding 10% or more equity stake in a company whose license is slated to be quashed, common share holding shall be permitted.”</i></p> <p>In view of the above, what data such applicant needs to fill in Application points 7, 8 and 9 and also in undertaking to obtain Unified License (Access Services) point No. b?</p>	<p>Application points 7, 8 and 9 are clear.</p>
9.	<p>Clause Reference: 3.6.1 (Rollout obligation) Page Reference: 24</p> <p>The present NIA mandated District and Block level rollout obligation. As per DOT license amendment No 20-100/2007-AS-I dated 1-Oct-2008 for UASL, upon meeting Coverage of more than 95% of Developmental Blocks, the UAS Licensee</p>	<p>This provision no longer exists in any of the licenses.</p>

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	<p>is entitled to reduction un USOF contribution from 5% to 2% through the License Fee.</p> <p>Kindly clarify that the benefit of reduction in contribution to USOF from 5% to 2% is also extended to UL-AS Licensee.</p>	
10.	<p>Clause Reference: 3.6.1 (xiv (a)) Page Reference: 29</p> <p>The present NIA specifies a PBG for rollout valid for minimum period of 6 years.</p> <p>a) Since the BGs are to be extended and renewed 1 month prior to expiry date without any notice from Licensor. Our understanding is that the PBG as specified should be given initially for 1 year extendable on annual basis (1 month prior to expiry) upto 6 years. This is the same as FBG of 6 years. Kindly confirm.</p> <p>b) Although there are annual milestones for rollout for 1, 2, 3, 4, 5th year, there is no corresponding enabling clause for reduction in the PBGs after completing the registration with TERM cell and subsequent found met the Rollout criteria for 1, 2, 3, 4, 5th year. Kindly incorporate the enabling clause. This is also in line with the enabling clause in existing UASL for reduction in PBG on meeting 1st / 3rd year rollout obligation.</p>	<p>a) No change in NIA conditions. PBG for Rollout shall be valid for 6 years.</p> <p>b) No change in NIA conditions.</p>
11.	<p>Clause Reference: Section 5.3.1 (Overall Cap) Page Reference: 50</p> <p>The overall cap is 25% of the Total Spectrum Assigned for Telecom Services in all bands (including the spectrum put up for auction). Could DoT please explain</p> <p>(i) which bands that are to be included when calculating the Total Spectrum Assigned for Telecom Services,</p> <p>(ii) the amount of spectrum assigned in</p>	<p>(i) 800, 900, 1800, 2100, 2300, and 2500MHz bands.</p> <p>(ii) Please refer to DoT website.</p>

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	<p>each of these bands, and</p> <p>(iii) how exactly unpaired and paired spectrum are taken into account.</p>	<p>(iii) Total spectrum assigned for unpaired and only one-side of spectrum in case of paired spectrum is taken into account.</p>
12.	<p>Clause Reference: 5.5 Frequency Assignment Stage Page Reference: 74</p> <p>Ranking criteria in Frequency Assignment Stage should be changed. The ranking criteria in the Clock Stage implies that “Renewal Licensees” are ranked first when bidding at the Clock Round Price. There seems to be no reason why the ranking after the Clock Stage should determine ranking also in the <i>Frequency Assignment Stage</i>. We agree with the approach that bidders who have won 5 MHz (or more) shall (as far as possible) be allocated one contiguous block of 5 MHz. Whenever ranking is required, it should be based on a random draw and not the ranking in the final round of the Clock Stage.</p>	<p>Government will ensure providing 4 contiguous blocks to all bidders who have won 4 or more blocks in the same band.</p>
13.	<p>Clause Reference: 6.4.5 Ranking of Bidders and Provisional Winning Bidders Page Reference: 103</p> <p>The Provisional Winner Determination rules in the NIA differ from the rules applied in the auction in November 2012. In particular, when there is negative excess demand “...all the Provisional Winning Bidders from an earlier round with Clock Round Price less than the Current Clock Round, R, will not remain as Provisional Winning Bidders...”. Furthermore, “...It is clarified that the Provisional Winning Bidders from a Clock Round with a Clock Round Price lower than the current Clock Round Price will be considered only if the aggregate demand at the current Clock Round Price is Zero...”. When excess demand is negative, there seems to be no reason not to take bids at a lower price level into account when determining Provisional Winning Blocks and bidders. Request clarification / suitable amendment to the clause.</p>	<p>No change in the NIA conditions.</p>

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14.	<p>Clause Reference: Clause 4.2.4 and 9.3.2 Page Reference: 39 and 140</p> <p>Query 14: There is an inconsistency in clause 4.2.4 and 9.3.2 regarding validity of bank guarantee. Suitable clarification may be issued.</p> <p>4.2.4 Earnest Money Deposit The Bank Guarantee shall be from a Scheduled Commercial Bank, and be valid up to 30th September, 2013 and extendable for a further period of six months at the request of DoT, in the prescribed format as given in Section 9.3.2 (Annexures).</p> <p>9.3.2 Format for Earnest Money Deposit This guarantee will remain in force up to 30th April, 2013, further extendible by another six months on your request and any demand in respect thereof should reach the Bank not later than the date up to which this Bank Guarantee is valid.</p>	<p>In clause 9.3.2, “30th April, 2013” may be read as “30th September, 2013”.</p>
15.	<p>The current licenses provide for extension of licenses for a further period of 10 years on mutually agreed terms. Kindly explain as to how the DoT proposes to implement the same.</p>	<p>This question is not relevant for this auction.</p>
16.	<p>What is a “renewal licensee”. The existing terms & conditions of license state “extension of license”. Please clarify?</p>	<p>“Renewal Licensee” is used in the context of licenses which are expiring in November, 2014.</p>
17.	<p>Please clarify that entry fee paid for quashed licenses, which remains unadjusted even post November 2012 auction, would be available for set off against EMD / final winning price in the current auction.</p>	<p>Provision for set-off are as mentioned in section 4.5 of the NIA.</p>
18.	<p>Please confirm as to how an operator who is a new entrant in 900 MHz in a given service area and who is not interested in procuring non contiguous spectrum, would be allowed to obtain contiguous spectrum for launch of new technologies without being saddled with non-contiguous spectrum.</p>	<p>Government will ensure providing 4 contiguous blocks to all bidders who have won 4 or more blocks in the same band.</p>

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19.	The current auction design forces a participant to participate in auction of both contiguous & non contiguous spectrum. Please clarify as to how DoT plans to provide only contiguous spectrum and avoid payment for reserve price on basis of non-contiguous spectrum.	Government will ensure providing 4 contiguous blocks to all bidders who have won 4 or more blocks in the same band.
20.	In 900 MHz auctions for Mumbai, two separate sets of spectrum bands one contiguous which can be used for specific new technologies and the other non contiguous which cannot be used for launch of new technologies) are being auctioned through a common auction process. This seems to be an attempt to avoid further competition since new operator may be interested in launching only with new technology, but would be saddled with non-contiguous band which would allow usage only as per older GSM technology etc. Please also confirm as to whether this is an attempt to reduce competition in Mumbai.	Government will ensure providing 4 contiguous blocks to all bidders who have won 4 or more blocks in the same band.
21.	There are only two contiguous blocks of 5 MHz in Mumbai and third one is non contiguous. All bidders are bidding for the same spectrum, however at the end of the auction, one of the three winning operator will get non contiguous 5 MHz but at the same price as that for contiguous. Would that not be unjust for the third operator?	Government will ensure providing 4 contiguous blocks to all bidders who have won 4 or more blocks in the same band.
22.	<p>In above case would the operator winning non contiguous spectrum be :</p> <p>a) Allowed to withdraw his bid after being informed that he is getting non contiguous spectrum?</p> <p>b) Asked to pay a differential lesser amount for the non contiguous spectrum and if so by how much.</p>	Government will ensure providing 4 contiguous blocks to all bidders who have won 4 or more blocks in the same band.
23.	In case of 1800 MHz, both Delhi and Mumbai have two blocks of Contiguous 5 MHz and one block of non contiguous 5MHz spectrum. All bidders are bidding for the same spectrum, however at the end of the auction, one of the three winning operator will get non contiguous 5 MHz but	Government will ensure providing 4 contiguous blocks to all bidders who have won 4 or more blocks in the same band.

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	at the same price as that for contiguous. Would that not be unjust for the third operator?	
24.	Please explain the rationale for conducting common auction for dis similar entities. This is against any normal auction process. Please explain how are operators required to bid for dis – similar spectrum blocks of 5 MHz in a common auction? This will discourage New and Existing licensees to participate in the auction?	Government will ensure providing 4 contiguous blocks to all bidders who have won 4 or more blocks in the same band.
25.	Please clarify whether an existing operator having 7.5 MHz in Delhi, who bids and wins 2 blocks of 1800 MHz spectrum would be allowed to use two different sets of technologies – say 5 MHz each for two different technologies.	Please refer to paragraphs 2 and 3 of Section 2.3 (Page 17) of NIA.
26.	If the response to above query is negative, please conform whether if such an operator wins 4 blocks of new spectrum in current auction and surrenders 3 blocks of old spectrum, would be allowed to provide services under two different technologies.	Please refer to paragraphs 2 and 3 of Section 2.3 (Page 17) of NIA.
27.	In the case of non contiguous spectrum allocation of 5 MHz in 900 or 1800 MHz band in Delhi and Mumbai, how does the DOT propose that the same can be used for new technologies, when the minimum spectrum required for efficient spectrum use for new technologies is of 5 MHz of contiguous spectrum? DoT may clarify how it proposes to provide contiguous spectrum to all operators winning 5 MHz of spectrum in Auction?	Government will ensure providing 4 contiguous blocks to all bidders who have won 4 or more blocks in the same band.
28.	In 900 MHz and 1800 MHz auctions for Delhi and Mumbai, two dis-similar entities of spectrum (contiguous and non contiguous) are being auctioned through a common auction process. Please explain the rationale for conducting common auction for dis similar entities. This is against any normal auction process. Please explain how are operators required to bid for dis – similar spectrum blocks of 5 MHz in a common auction? This will discourage New and Existing licensees to participate in	Government will ensure providing 4 contiguous blocks to all bidders who have won 4 or more blocks in the same band.

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	the auction?	
29.	Please confirm that DoT would not impose new unilateral conditions, on issues already confirmed in earlier auction conditions / NIA or are under adjudication, such as 3G ICR etc.?	The bidder has to abide by the terms and conditions of the license.
30.	Kindly confirm that henceforth any spectrum allocation/ earmarking whether start-up/initial spectrum or additional or so called contractual spectrum (whether 4.4 or 6.2 or 2.5 or 5 MHz) in any frequency band for any category of operator, will always be allocated through auction.	Spectrum shall be made available under specified procedures, instructions, terms & conditions, and payment for said allotment of spectrum including SUC, as prescribed by Government from time to time.
31.	Kindly confirm that DoT would not administratively allocate any spectrum or change the price of spectrum through administrative mechanism in future.	Spectrum shall be made available under specified procedures, instructions, terms & conditions, and payment for said allotment of spectrum including SUC, as prescribed by Government from time to time.
32.	<p>Clause Reference: Spectrum Usage Charges Para 3.7 Page Reference: 29</p>	
	<p>a) Since the ‘Renewal Licensee’ or ‘New Entrant’ is required to bid for minimum 5 MHz of spectrum in auction, the first slab for the Spectrum Usages Charges should be “upto 5 MHz” instead of current slab of “upto 4.4MHz” for GSM operators (applicable for 900/1800 MHz band) in line with charges for CDMA operators (applicable for 800 MHz band).</p>	Spectrum Usage Charges shall be payable as per the rates notified by the government from time to time.
	<p>b) As per the DOT all spectrum being auctioned now is liberalised and can be used for any technology, then how can spectrum usage charges be specified differently for GSM and CDMA operators. The differential Spectrum Usage Charges seem to be arbitrary and lacking any rationale. The reasoning for this differential may be explained.</p>	It is as per frequency band.
33.	Please provide details on spectrum availability and auction roadmap for next 3-4 years in 700 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz and 2500 MHz	The schedules for subsequent auctions will be indicated from time to time.

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	spectrum bands.	
34.	Active and passive sharing are allowed as a policy, however no license amendment has happened on these till date. Please indicate when the license amendment would be issued? It is recommended that the same be done before start of the auction, so that bidders have clarity on use of Active sharing to plan for bidding.	Amendments to the licenses for active infrastructure sharing will be issued in due course.
35.	NTP 2012 has stated in its objectives that a simplified Merger & Acquisition regime in telecom service sector would be put in place while ensuring adequate competition. In view of the same, please clarify the M&A policy before auction so that Bidders can make informed decision.	M&A guidelines will be applicable as announced from time to time.
36.	Please clarify the spectrum pooling /leasing policy for the spectrum put to auction.	These shall be governed by policy and guidelines announced by the Government from time to time.
37.	Kindly provide us the rationale why the spectrum has been divided into blocks of 1.25 MHz. 1.25 MHz would mean wastage of 0.05 MHz in case spectrum is used for GSM roll out as the technology uses 200 KHz based steps. The wastage of spectrum will be even higher if an operator wins two blocks of 1.25 MHz, where the unusable quantity will be 100 KHz as GSM technology only allows use in steps of 200 KHz. Please give adequate justification for such an inefficient allocation of valuable national natural resources.	This has been decided after due consideration.
38.	Also, there is no new technology that works on 1.25 MHz steps, then why has the auction been kept in steps of 1.25 MHz Blocks.	This has been decided after due consideration.
39.	The NIA highlights availability of 11.25 MHz of contiguous spectrum in Mumbai. Please note that allotment of non-contiguous spectrum would imply that new technology cannot be deployed by the winning bidder. Hence availability of contiguous spectrum is absolutely essential for participation in auction for any given service area. DoT may kindly confirm as to	Government will ensure providing 4 contiguous blocks to all bidders who have won 4 or more blocks in the same band

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	how it proposes to ensure that only contiguous spectrum is put up for auction.	
40.	The TRAI & DoT have in the past justified higher reserve price on account of contiguous liberalized spectrum. In case such contiguous spectrum is not available, please confirm the revised price at which non contiguous spectrum would be available for auction.	Government will ensure providing 4 contiguous blocks to all bidders who have won 4 or more blocks in the same band.
41.	<p>Please confirm that for all winners of 4 blocks in a particular band</p> <p>a) 5 MHz spectrum will be given in a contiguous band so that it can also be used for any technologies.</p> <p>b) In case the contiguous spectrum is not allocated, and hence the spectrum allocated cannot be used for multiple technologies, please confirm whether the government will assign a different price. The Government response is critical for the bidder to value the spectrum correctly.</p>	Government will ensure providing 4 contiguous blocks to all bidders who have won 4 or more blocks in the same band.
42.	What action does the Government propose in case interference in auctioned spectrum makes commercial use of spectrum not feasible? We are already faced with this situation in 3G where the spectrum allocated after auction and taken at a high cost is unusable in some service areas due to interference. The Government must plan to provide alternate spectrum in case of interference or refund the fee paid for spectrum. Kindly confirm.	All practicable and necessary steps will be adopted for resolution of cases of harmful interference.
43.	The Government has proposed two different payment options viz. upfront and staggered for 12 years. Kindly confirm the mechanism for ensuring that operator making upfront payment is put to no disadvantage in case of any future policy change/ waivers etc. which give additional benefit to those opting for deferred payment option.	No change in the Payment Terms.
44.	Please confirm that DoT decision to auction 900 MHz spectrum is as per recommendations of TRAI and in	Decision to auction spectrum in 900MHz band is as per Government policy.

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	conformity with existing licensing conditions.	
45.	If no bids are received in the auction for any of the service area in any specific band, will the government reduce the reserve price, as done in case of 1800 MHz auction?	It is premature to consider at this stage.
46.	A renewal Licensee is required to bid for minimum ONE (1) block in Kolkata service area in 900MHz band, while for Mumbai/Delhi the limit is FOUR (4) blocks. What is the reason for having separate condition for Mumbai/Delhi vis-à-vis Kolkata? (pg 10).	This is as per decision of the Government.
47.	Why there is no priority for up to 2.5MHz 900 MHz spectrum in Kolkata service area, while priority has been given for Delhi and Mumbai service areas?	There is priority for up to 2.5MHz in 900MHz band for bidders categorized as “Renewal Licensees” in Kolkata Service Area also.
48.	Note on page 12 states “It may please be noted that the minimum and maximum number of blocks for which a bidder can bid is subject to final confirmation on approval”. What approval is pending and has the approval been given / obtained?	This note in the NIA stands deleted.
49.	Page 26, Para 3.6.1.viii.	
	a) For a change of technology by the licensee, one of the requirements for meeting roll out obligation is “Continuity of coverage, provisioning, delivery, quality and services in the network deployed with earlier technology”. Please clarify what is meant by continuity of coverage in this roll out obligation in detail. Does it mean that operator has to continue the earlier technology network also, or that the network set up with new technology will have to have the same coverage as earlier network? It may be noted that no new technology network can have the same coverage as an old network set up over 18 years. Since the roll out obligations are laid down, how does this fit in with the roll out obligations stated elsewhere in the NIA. The change of technology is only applicable	The licensee has to ensure that the coverage achieved by deploying new technology in the locations where roll-out obligations have already been fulfilled using earlier technology, at least remains the same subject to the conditions of NIA.

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	<p>for renewal/existing licensees and hence, it creates different obligation for renewal/existing licensees and new entrants.</p>	
50.	<p>For Spectrum Usage charges it is mentioned as “Charge for GSM operators (applicable for 1800/900MHz band)”. Kindly clarify whether these charges are based on the technology deployed by the operator or based on the spectrum frequency band, irrespective of technology? Page 29.</p>	<p>It is based on spectrum frequency band.</p>
51.	<p>Spectrum charges SLAB for 800MHz spectrum is 3% up to 5MHz whereas it is 3% up to 4.4MHz for 1800/900MHz spectrum. Can you please give an explanation for the differential treatment?</p>	<p>Spectrum Usage Charges shall be payable as per the rates notified by the government from time to time.</p>
52.	<p>The below mentioned bid submission rule (pg48/49 marked as ** and ***) for New Entrant and Renewal Licensee is not clear, kindly provide a detailed write up with illustration</p> <p><i>** If the bidder is already a Provisional Winning Bidder for a minimum of four (4) blocks in either of the band, then in the subsequent round at a higher Clock Round Price, even if the bidder opts for a “No” in that particular band, it will be construed as equivalent to have submitted four (4) blocks in that particular band.</i></p> <p><i>***It is important to note that if the bidder submits a revised bid at a higher Clock Round Price in the band for which he is already a Provisional Winning Bidder for a minimum of four (4) blocks, in which case, he will cease to remain as a Provisional Winning Bidder and hence will have to ensure that a minimum of four (4) blocks has to be selected while submission in at least one of the bands.</i></p>	<p>Please refer to the presentation made at the Pre-bid Conference on 8th February, 2013 which is also uploaded on the DoT website.</p> <p>Slide (Page) No. 26 (Case-2)</p> <p>Slide (Page) No. 26 (Case-3 and Case-4)</p>
53.	<p>We understand that the rules for provisional winning bidders’ continuation criteria have been changed when compared with earlier two auctions. Can you please give a detailed justification for such an arbitrary change in the auction rules?</p>	<p>Changes are as per the decision of the Government.</p>

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54.	We understand that the ranking criteria have been changed substantially when compared to last auction conducted by Government. Can you please give detailed justification for such an arbitrary change in these rules? Please explain with justifications, what is being achieved/ objective behind each new rule introduced?	Changes are as per the decision of the Government.
55.	We understand that while considering the overall spectrum cap unpaired spectrum allocated in 2300/2600 MHz (60MHz) has been considered same as the paired spectrum in other frequency bands, which is not a correct treatment. Please clarify.	No change in the NIA conditions.
56.	As per information (affidavit) submitted by the DoT to the Hon'ble Supreme Court, the DoT holds around 2 to 5 MHz spectrum in 900MHz band in almost all service areas. Why the complete available spectrum has not been put up for auction?	The quantum of spectrum put to auction is as per the decision of the Government.
57.	Ranking of bidders and provisional winning bidders contains procedure (page 60) for only Renewal Licensees. There is no clarity on what basis the ranking for New Entrant or Existing Operators will be decided?	Ranking of Bidders is going to be undertaken by the EAS at the end of each Clock Round for all the bidders who have submitted their bid at the Clock Round Price of the completed Clock Round. Page 60 refers to the ranking rule that will be followed by EAS. Since the first rule is for priority ranking to "Renewal Licensees", the same is explained in detail. The para just above the ranking rules states that the Provisional Winning Bidders would be ranked at the end of each Clock Round. The Provisional Winning Bidders can be of any category i.e. "Existing Licensee" or "New Entrant" or "Renewal Licensee"
58.	Why the priority for Renewal Licensee is kept at 2.5 MHz and not 5 MHz, in 900 MHz band?	This is as per the decision of the Government.
59.	As per rules for determining provisional winners, for Delhi and Mumbai service area, for a Renewal Licensee to be provisional winner minimum allocation should be of 4 blocks in either of the bands. There can be a scenario where a Renewal	It is mandatory for a bidder to be declared as a Provisional Winning Bidder only if he is allocated the minimum number of blocks required for each category of bidders for each of the Service Areas. For the Service Areas of Delhi and Mumbai, this would be 4

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	<p>Licensee submits bid for 4 blocks in 900MHz, and NO bid in 1800MHz. Now, due to excess demand in 900MHz, he gets allocation for 2 blocks only based on priority for 2 blocks which is less than 4 blocks (in either of the bands). Whether he will be declared as a provisional winner?</p>	<p>blocks. (Also please see Page No. 63 of NIA).</p> <p>Hence, in the example cited here, the bidder will not be declared as a Provisional Winning Bidder.</p>
60.	<p>Can there be a scenario where a ‘Renewal Licensee’ or ‘New Entrant’ wins 2 blocks in 900MHz and 2 blocks in 1800 MHz band, under the proposed auction mechanism? If yes, how and If no, why?</p>	<p>No.</p> <p>Since, it is mandatory for a bidder to be declared as a Provisional Winning Bidder only if he is allocated the minimum number of blocks required for each category of bidders for each of the Service Areas.</p> <p>For the Service Areas of Delhi and Mumbai, this would be 4 blocks for a New Entrant or a Renewal Licensee.</p> <p>In the Service Area of Kolkata, since there is no auction in 1800MHz band, a ‘Renewal Licensee’ can be declared as a Provisional Winning Bidder, if he is allocated a minimum of 1 block in 900MHz band.</p> <p>(Please also see Page No. 63 of NIA).</p>
61.	<p>Can you please explain the way for a renewal license if he wants 5 MHz of contiguous spectrum either in 900 MHz or 1800 MHz? How can he ensure the same within these auction rules? If the answer is “keep bidding at higher prices”, then what is the significance of priority for 2 blocks?</p>	<p>In 900MHz band, if the 2.5MHz spectrum under the normal ranking is also allotted to the renewal licensee, in which case, all the 5MHz spectrum is allotted on priority rank basis.</p>
62.	<p>Last para of Page 62 states that priority would be given only if the Renewal Licensee bids at a higher price. Does it imply that clock round price is the first ranking criteria and priority is second.</p>	<p>In the Current Auctions, only the bidders who submit their bid at the Clock Round Price of the Current Clock Round will be considered for ranking at the end of Current Clock Round. Only if there is no bid at the Clock Round Price of the Current Clock Round, the Provisional Winning Bidders from immediate previous round at a lower Clock Round Price will be considered. Hence, there is no variation in the prices of the bidders who are being considered for ranking and the prices of all the bidders (to be considered for ranking) will be same. Therefore, Clock Round Price is not a criterion in the ranking rule.</p>

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63.	Can you please specify the exact date and time limit for withdrawing the applications?	Withdrawal of Applications shall be allowed up to 5 PM on 5 th March, 2013.
64.	The counting of 20 years should be done from the date of allowing commercial usage of spectrum and not from the date of LoI.	No change in NIA conditions.
65.	What happens to unsold 900MHz spectrum which is currently used by the existing licensees whose license is coming up for extension in 2014? Does government take back the spectrum and keep it unutilized or will it be auctioned at reduced price?	It is premature to consider at this stage.
66.	Ranking criteria based on value of bids should also take in to account the provisional winning bids held by the bidder. Illustration given on page 61 (last bullet point, continuation on page 62), calculates values for bids ‘submitted in the current round’ and does not mention consideration for any bid/s submitted at the same clock round price in previous round/s. Can you please confirm/clarify the same? If not, please explain why?	<p>The rule states that “Where there is a tie according to the first three criteria, ranking will be in descending order according to the total value of all Blocks for which bid has been submitted by the bidder for all the Service Areas across all the bands at the <u>Current Clock Round Price;</u>”</p> <p>This implies that the bids of the bidders at the Current Clock Round Price (which may be over multiple Clock Rounds also) will be taken into consideration.</p>
67.	Kindly explain how the ranking will be done in the below scenario (assuming there is a tie based on other parameters and ranking is to be done by assignment of Random Index) –	

Round – R(Price 100)	Bid in the Current Round	No. of Blocks	Random Index Value	Provisional Winner Ranking
Bidder – 1	YES	4	1421517	1 (based on random index)
Bidder – 2	NO	-	-	-
Bidder – 3	NO	-	-	-
Bidder – 4	YES	4	7151241	2(based on random index)

No.	Query	Response
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Round R+1 Price 100	Bid in the Current Round	No. of Blocks	Random Index Value	Provisional Winner Ranking	Remarks
Bidder – 1	NO	-		1	Ranking to be carried from last round
Bidder – 2	YES	4	2109566	4	Ranking to be done based on Random Index
Bidder – 3	YES	4	921748	3	Ranking to be done based on Random Index
Bidder – 4	NO	-		2	Ranking to be carried from last round

As per our understanding of the ranking rules, ranking in round R+1 should follow the logic given in REMARKS column in the above table. Can you please confirm that this understanding is correct?

The ranking is generated based on ranking rules as mentioned in section 5.4.5. In the example cited in the query, if it is assumed that there is a tie according to the first four rules, in which case ranking will be done on the basis of the random index. In such situation, the understanding is correct.

68.	Please clarify that whether lock-in condition would apply in the case of Merger / Acquisition where in the equity of the person whose share capital is more than 10% and whose net worth has been taken into consideration for determining the eligibility for bidding for spectrum and if there is no dilution in terms of actual investment (equity) (not percentage) remains same and not diluted.	No
69.	As DoT is putting only partial spectrum in 800 MHz for Auction and operators desiring to acquire 4 carriers in a service	Not within the purview of this auction.

No.	Query	Response
	<p>area, whether the same could be allocated through administrative process and if so, whether part of the entry fees paid in 2008, could be adjusted against the same.</p>	
70.	<p>Clause 3.2 (xiii) Page no. 19 (Associated Eligibility Conditions)</p> <p>In view of the above license clause we believe that there is an inadvertent error in stipulating the Lock-in condition in the Clause 3.2 (xiii), Page no. 19 (Associated Eligibility Conditions) of NIA. Request you to kindly change the lock-in condition</p> <p>“.....till completion of 3 years from the date of allotment of spectrum or till fulfillment of all the Roll-out obligations prescribed in the NIA, whichever is later.”</p> <p>To</p> <p>“.....till completion of 3 years from the date of allotment of spectrum or till fulfillment of all the Roll-out obligations prescribed in the NIA, whichever is earlier.</p>	<p>No change in NIA conditions</p>
71.	<p>Clause 13, Page no. 20 (Unified License (Access Services) – Key Features)</p> <p>The terms and conditions of final UL should be stated now for informed decision making by the prospective bidders.</p>	<p>Key features of UL(AS) have been given in section 3.3 of NIA. Under UL(AS), the licensee can deliver all Services which are permitted by the current UAS licenses under the scope of service of the license. The licensee will have the option to migrate to the new licensing regime.</p>
72.	<p>Clause 3.3 & Clause 18, Page No 21 (Key Features) & Section 3.6.1, Note xiv, Page No 29</p> <p>Please clarify the below mentioned points:</p> <p>a) How will Roll Out Obligation condition apply i.e. in view of timeline for compliance?</p> <p>b) In case if an operator meets Roll Out Obligation before six year time period, whether or not the PBG will be refundable to the operator?</p>	<p>a) Time line for compliance of rollout obligations are clear in the NIA</p> <p>b) No change in NIA conditions.</p>

No.	Query	Response
	<p>c) Impact of Liquidated Damage case on PBG requirement (for both circles to continue and exit), including refund of amount already deposited/paid to DoT.</p> <p>d) Whether PBG under current and new licence will co-exist or will be replaceable (for circles where the quashed Licensee continues to operate) and by when will existing PBG of circles where the quashed licensee do not win spectrum will be refunded?</p> <p>e) As all financial dues are secured under Financial Bank Guarantee (Annual Instalments, AGR and related liabilities) and further, PBG for roll out obligation is provided separately, In that case PBG for UL should be relaxed. In other words, why separate PBG for UL has been included / or what are the obligations/conditions for which such PBG amounts can be used?</p> <p>f) What are the exit terms for UL PBG of Rs 10 crore by when the said PBG will be released or it will continue for the entire license period? Moreover, this condition is against level playing field, as existing or incumbent operators do not need to provide any such guarantees.</p>	<p>c) LD and PBG will be applied in respect of roll out obligations mentioned in the NIA</p> <p>d) PBG indicated in NIA will not replace the PBG under previous licence</p> <p>e) PBG in UL is against the compliance of terms and conditions of UL</p> <p>f) PBG will have to be maintained over the duration of the licence</p>
73.	<p>Section 3.3, Clause 19, Page No 21 (Key Features)</p> <p>Currently FBG has been provided for all circles (22 Circles) either on AGR basis or on contractual amount under existing licence. Need to clarify below mentioned points:</p> <p>a) In case of circles, where quashed licensees are able to win spectrum, whether FBG under existing licence will be available for adjustment against FBG for new licence or they will co-exist for some period. In that case, for what period?</p>	<p>a) FBG indicated in NIA will not replace the FBG under previous licence</p>

No.	Query	Response
	<p>b) For the circles, where the Company is not able to continue/win spectrum, then in that case by when the said FBG's will be released for these circles?</p>	<p>b) This question is not relevant to present auction</p>
74.	<p>Section 3.6.1, Point (xiv), Clause (a), Page no. 29 (Roll out obligation)</p> <p>The roll out obligation has to be completed in a phased manner, in view of the same there should be a clause pertaining to reduction of PBG of Rs. 35.00 Crores per Service Area by the 'New Entrant' and Rs. 21.00 Crores by 'Existing Licensee' and 'Renewal Licensee' post successful completion of each phase of the roll out obligation.</p>	<p>No change in NIA conditions</p>
75.	<p>Section 4.2.4, Page no. 39 Earnest Money Deposit</p> <p>We propose to use credit available from 2008 licence against Earnest Money deposit. Clarifications required, whether full amount of refund will be available to set-off upfront amount of Spectrum Payment or EMD amount will be adjusted, as September 30th timeline falls after Spectrum payment date.</p>	<p>Provision for set-off are as mentioned in section 4.5 of the NIA.</p>
76.	<p>Section 9.3.1, Point No 12, Page no. 134 (Application Format)</p> <p>In case the set off amount is more than the total upfront payment, need to understand the following:</p> <p>a) Whether the balance can be adjusted proportionately from balance or will be adjusted against Instalment amounts only;</p> <p>b) While calculating Instalment amounts, unadjusted set off amount and interest on this part, should not be considered;</p> <p>c) Whether Unadjusted set off amount can be utilized against bank Guarantee requirements (till the time it is adjusted from Annual Instalments)</p>	<p>Provision for set-off are as mentioned in section 4.5 of the NIA.</p>

No.	Query	Response
77.	<p>Section 9.3.1, Note (ix), Page no. 136 (Application Format)</p> <p>In case the last audited financial statement is available as of December 31, 2011 which is more than one year old, hence in this case clarification is needed from DoT as to the financial period for which the Net Worth certificate needs to be submitted (say can we submit certificate for audited financials as on Dec 31, 2011 AND a certificate based on the latest available financials (unaudited financials as on Sep 30, 2012).</p>	<p>Yes, provided that the financial year ends on 31stDecember, A certificate to this effect may also be given by Company Secretary.</p>
78.	<p>However some of the holders of quashed licensees like ourselves bids and wins in the auction and in order to ensure the continuity of services please clarify the following:</p> <p>a) What happens to existing sites & SACFA clearances?</p> <p>b) What about WPC deployment Plan & operating License for both CDMA & MW Access?</p> <p>c) WPC clearance for shifting Wireless equipment from one circles to another?</p> <p>d) Need more clarity on rollout obligation:</p> <p>i. Is it mandatory to fulfill current DHQ rollout obligation along with new BHQ coverage obligation?</p> <p>ii. Or only BHQ coverage obligations as per the new license?</p> <p>e) Will Microwave spectrum remain same in the circles or there will be any change?</p> <p>f) What will be the process & how much time it will take for the re-allotment of microwave spectrum?</p> <p>g) The time period within which DoT will allocate the spectrum (on being successful in obtaining the spectrum during auction by the Company).</p>	<p>a) SACFA clearances are to be revalidated.</p> <p>b) Wireless operating licenses are to be obtained fresh and deployment plans to be re-submitted and approvals obtained.</p> <p>c) Clearance is required from WPC.</p> <p>d)</p> <p>(i) & (ii) Please refer Section 3.6.1(iv) and (v) of the NIA</p> <p>e) The Microwave spectrum is expected to remain unchanged unless any specific situations require a review.</p> <p>f) Please see Section 2.2. of NIA.</p> <p>g) Please see Section 4.7 of NIA.</p>

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

No.	Query	Response
79.	<p>Para 2.3</p> <p>Specifies that existing licensees can liberalize their existing spectrum holding in 1800 MHz band after payment of auction determined price. DOT may specify the process for liberalization of existing spectrum holding in 800 MHz band of existing operators.</p>	<p>At this stage liberalization of spectrum is applicable to spectrum holding in 1800 MHz band only.</p> <p>Existing spectrum holding is not liberalized. Services to be provided will be governed by the terms and conditions of the licence under which the spectrum has been allotted.</p> <p>The existing licensees can use the spectrum in 800MHz band allotted in this auction along with the existing spectrum holding in 800MHz band for deployment of CDMA technology.</p>
80.	<p>We understand Merger and Acquisitions guidelines have been approved by the Cabinet. Is DOT planning to issue revised guidelines and if so by what time?</p>	<p>M&A guidelines will be applicable as announced from time to time.</p>
81.	<p>DOT may kindly issue detailed guidelines about sharing of spectrum at the earliest.</p>	<p>Detailed guidelines regarding sharing of spectrum would be issued in due course.</p>
82.	<p>As stated in the NIA, DOT is in the process of revising the TPA. DOT may kindly provide the draft of the revised TPA or in the interim inform about the changes being made to the TPA.</p>	<p>TPA document will be provided in due course</p>
83.	<p>Since ICR is only allowed between operators in such circles in which both operators have spectrum. We request DOT to clarify whether ICR can be done</p> <p>a) between two operators in case one operator does not have spectrum.</p> <p>b) between two operators where one has liberalized spectrum obtained through Auction and other having non liberalized spectrum.</p>	<p>The bidder has to abide by the terms and conditions of the license.</p>
84.	<p>Paragraph Number of NIA: 3.2 (x) & (xi) & 4.3.2(d)</p> <p>Page Number of NIA: 19 & 37/38</p> <p>It may please be clarified that since per Para 3.2(x), the net worth requirement is applicable only in case of 'New Entrants', the condition prescribed in Para 3.2 (xi) &</p>	<p>In respect of existing and renewal licensees the net worth requirements as prescribed in Sec 3.2.x may apply at the time of renewal of their licences.</p> <p>Note below 14(a) of Sec 9.3.1(p 134) of NIA will also apply to renewal licensees.</p>

No.	Query	Response
	<p>4.3.2(d) of the NIA that that “The Applicant Company shall have a minimum paid up equity capital equal to one tenth of net worth prescribed above and shall submit a certificate to this effect (provided by the Company Secretary/ Statutory Auditors of the applicant company and countersigned by duly authorized Director of the Company) while applying for participation in the auction of spectrum” is also applicable only to New Entrants and not to Existing Licensees and so called “Renewal Licensees”</p>	
<p>85.</p>	<p>Paragraph Number of NIA: 1.1 Page Number of NIA: 6</p> <p>Clause 1.1 of the NIA states that "However, it may be noted that the Government reserves the right to use any other means to allot the spectrum as it may deem fit without assigning any reason whatsoever."</p> <p>Does this mean that spectrum left unsold in the present auctions can and/or will be allocated through methods other than auctions/administrative means?</p>	<p>No change in the NIA condition.</p>
<p>86.</p>	<p>Paragraph Number of NIA: 1.3 Page Number of NIA: 8</p> <p>DoT states in Para 1.3 of the NIA that “Frequency reconfiguration i.e. rearrangement of spot frequencies in the same band, from within the assignments made to the licensees, may be carried out, with the authorization of WPC Wing, among the licensees, only when the entire spectrum held by them is liberalized. No charges will be levied for rearrangement of frequency spots.”</p> <p>a) Please provide a definition of liberalized spectrum according to DoT.</p> <p>b) Is 2.1GHz/2.3GHz auctioned in 2010 spectrum “liberalized” as per DoT?</p> <p>This is without prejudice to our contention that the entire existing spectrum is already liberalized.</p>	<p>a) Please refer to Section 2.3 of NIA.</p> <p>b) The concept of liberalisation of spectrum was not mentioned in the NIA for auction of 3G/ BWA.</p>

No.	Query	Response
87.	<p>Paragraph Number of NIA: 1.4 Page Number of NIA: 9</p> <p>As per Para 1.4 on Page 9 of the NIA, DoT will provide clarifications on 18 February 2013 and the last date for submission of Applications is 22 February 2013. This gives only 4 days to take all steps including understanding the clarifications and then do logistics, including EMD finalization etc. Further, unlike in November 2012 auctions DoT has not issued any Information Memorandum before the NIA. There may be further queries on the clarifications issued by DoT like in the last auctions. Thus it is requested that this time frame be extended from 4 days to at least 10 days.</p>	No change in the NIA condition.
88.	<p>Paragraph Number of NIA: 1.4 Page Number of NIA: 9</p> <p>a) DoT may kindly clarify the exact last date and time that a bidder can withdraw from the auction?</p> <p>b) What is the latest date and time by which the EMD information for “pre qualified bidders” be published?</p> <p>c) What is the exact last date and time that a bidder can withdraw from the auction?</p> <p>d) In the November 2012 1800 auction, there were a gap of 7 days between the above two events (28th Oct was the date for publishing of EMDs of pre-qualified bidders versus 5th Nov for last date of withdrawal) Please confirm that there will be a similar time frame between these events even in this auction.</p>	<p>a) Withdrawal of Applications shall be allowed up to 5 PM on 5th March, 2013.</p> <p>b) 4th March, 2013</p> <p>c) Withdrawal of Applications shall be allowed up to 5 PM on 5th March, 2013.</p> <p>d) Please see a) to c) above.</p>
89.	<p>Paragraph Number of NIA: 1.4, 3.8, 4.5 Page Number of NIA: 9, 30, 41</p> <p>a) In cases of deferred allotment of spectrum in inter alia, 900MHz and /or 1800MHz, DoT may kindly confirm</p>	a) to e) No change in NIA conditions. No interest will be payable.

No.	Query	Response
	<p>that the upfront payment for the same shall have to be made only at the time of such allotment?</p> <p>b) In case the answer to the above is “No” and the upfront payment is being taken in advance of such allotment, DoT may kindly confirm that the successful bidder shall be entitled to interest on the same.</p> <p>c) This is especially important in cases coming under Clause 3.8(d) of the NIA, where the 900MHz spectrum the effective date will be in November 2014 though the payments will be made in advance by more than 18 months while in other cases the gap between payment and the effective date will be only few days.</p> <p>d) DoT must therefore provide interest for such advance payments. DoT is requested to clarify and provide the interest benefit to operators whose effective date under Clause 3.8 (b) and (d) of the NIA is much later than the date of payment.</p> <p>e) Further, for the reasons mentioned above, in case of deferred payment option, the 1st instalment of the balance due shall become due on the third anniversary of the respective effective date and not from the scheduled date of the first payment. DoT is requested to reconsider and change the respective conditions.</p>	
90.	<p>Paragraph Number of NIA: 12.1 Page Number of NIA: 10-11</p> <p>a) Why are the auction conditions different in Kolkata from Mumbai /Delhi as minimum bid for so called ‘renewal licensees’ is one block in Kolkata as against 4 blocks in Mumbai/Delhi?</p> <p>b) In the case of Kolkata, what is the roadmap for so called ‘renewal</p>	<p>a) This is as per Government decision.</p> <p>b) The schedule for subsequent auctions will be indicated from time</p>

No.	Query	Response
	licensees’ in respect of 1800MHz spectrum?	to time.
91.	<p>Paragraph Number of NIA: 2.1 Page Number of NIA: 12</p> <p>DoT states that “Note: It may please be noted that the minimum and maximum number of blocks for which a bidder can bid is subject to final confirmation on approval.”</p> <p>a) Does it mean that this NIA is not a finally approved document?</p> <p>b) What is the approval process followed by DoT in issuing the NIA?</p> <p>c) What sort of final confirmation on approval is required?</p> <p>d) When will such confirmation be given. It is submitted that the same cannot be post the date of submission of applications, in which case the auction design will not be clear to prospective bidders, being not approved?</p> <p>e) In case of any change in the minimum or maximum number of blocks being put to auction, the design of the auction and the decision of prospective bidders would undergo a material change and this NIA may no longer be relevant, being incoherent. In such a case, DoT may clarify whether it will issue a fresh NIA or extend the date for submission of applications?</p>	<p>a) The note in the NIA stands deleted.</p> <p>b) to e) Please see a) above</p>
92.	<p>Paragraph Number of NIA: 2.3 Page Number of NIA: 17</p> <p>DoT states that “Existing Licensees will be allowed to use the additional spectrum block(s) allotted through this auction to deploy any technology by combining with their existing spectrum holding in the same band after converting their entire existing spectrum holding into liberalised spectrum in the same band as per the terms and conditions to be specified.</p>	

No.	Query	Response
	<p>Existing CMTS/ UAS/ UL(AS) licensees can liberalize their existing spectrum holding in 1800MHz band after payment of auction determined price.”</p> <p>a) Without prejudice to our view that the entire existing spectrum is already liberalized, we submit that DoT had clarified to participants before the last auction that they can use existing spectrum holding in 1800MHz and 900MHz with additional spectrum block(s) allotted through auction in 1800MHz for GSM technology without any need for such conversion.</p>	<p>a) The existing licensees can use the 1800MHz band spectrum allotted in this auction along with the existing spectrum holding in 900MHz and/ or 1800MHz bands for deployment of GSM technology.</p>
	<p>The same has not been stated in this NIA. DoT may kindly confirm that the clarification given earlier is also applicable in this auction for any auction of blocks in 1800MHz.</p>	
	<p>b) According to DoT, the existing spectrum is not liberalized and a licensee can liberalise their existing spectrum holding in 1800Mhz band after payment of auction determined price.</p> <p>(i) If that be the case then why has DOT raised the demand for one-time fee on existing 1800MHz spectrum for the period after 1.1.2013 at the rates applicable to ‘liberalised spectrum’?</p> <p>(ii) As existing 900MHz spectrum is not liberalized till now as per DoT, then why has DOT raised the demand for one-time fee on existing 1800MHz spectrum for the period after 1.1.2013 at the rates applicable to ‘liberalised spectrum’?</p>	<p>b)</p> <p>i) & ii) One Time Charges have been applied for existing spectrum holding above 4.4 MHz</p>
	<p>The above queries are without prejudice to our view /right that no one time fee is payable on spectrum already allocated to the existing licensees.</p>	

No.	Query	Response
93.	<p>Paragraph Number of NIA: 3.1 Page Number of NIA: 17/18</p> <p>Please clarify that the existing licensee which is due for extension in 2014 will be covered under the eligibility criteria under para 3.1(i) of the NIA i.e. “Any licensee that holds a UAS/CMTS license”?</p>	<p>Renewal licensees already hold either CMTS or UAS license.</p>
94.	<p>Paragraph Number of NIA: 3.1/3.2(vi) Page Number of NIA: 17</p> <p>There is a gap of hardly less than 3 months between November 2012 auctions and the current NIA dated 30.01.2013. In the November 2012 auctions there were only two categories of applicants “Existing Licensees” and “New Entrants”. In November 2012, the metro licensees which were due for extension were offered terms of NIA in their capacity as “Existing Licensees”.</p> <p>Please clarify that why has DoT introduced the third category of “Renewal Licensee” in the current NIA dated 30.01.2013 while they were under category of “Existing Licensee” in the last auction in November 2012?</p>	<p>Intent of the NIA is clear.</p>
95.	<p>Paragraph Number of NIA: 3.2(ii) Page Number of NIA: 18</p> <p>a) DoT has not yet provided any terms of the proposed Unified License (AS)/UL. In absence of such terms and given that participants will be committing huge sums in the auctions, if the auctions take place then the participants cannot be left to sole discretion of DoT to sign the ULAS /UL as and when such license is introduced.</p> <p>b) DoT may kindly confirm that the auctions will be held on terms of existing licensing regime and that any future regime of licensing introduced by the Licensor will be offered as a choice to licensees and on a no-worse</p>	<p>a) & b) Key features of UL(AS) have been given in section 3.3 of NIA. Under UL(AS), the licensee can deliver all Services which are permitted by the current UAS licenses under the scope of service of the license. The licensee will have the option to migrate to the new licensing regime.</p>

No.	Query	Response
	<p>off basis? In this context, we note that the NIA states that a UL(AS) will enable the Licensee to deliver all services which are being provided by the current UAS Licensee under scope of license.</p>	
	<p>c) We understand that the TRAI has recommended UL(AS) only for cancelled licensees. In para 1.5 of the TRAI recommendations dated 2 January 2013, TRAI has stated that it is clear that while granting the UL(AS) the DoT should clarify that this arrangement is transitional in nature and that this license is only for those bidders whose licensees had been quashed by the Order of the Hon'ble Supreme Court. Under these circumstances, the so called UL(AS) is not applicable to the so-called "renewal licensees". DoT may kindly clarify the same?</p>	<p>c) & d) As the renewal licensee do not need to obtain UL(AS) immediately on winning spectrum as a result of these auctions, UL(AS) will not be applicable to them.</p> <p>Terms and Conditions of the license after expiry of existing license is not a part of the NIA.</p>
	<p>d) DoT may also clarify that migration to a UL(AS)/UL regime will be optional /at the choice of existing licensee and so-called "renewal licensees" will not be forced to take a UL(AS)/UL license at the time of extension? This will also be in line with NTP-2012 that provides for inter alia "To frame appropriate Policies for ... migration of existing licensees to new framework,...in consultation with TRAI (See para 3.9 on NTP-2012)</p>	
	<p>e) It may also be noted that in case of licensees who have acquired 2.1GHz/3G spectrum, the continuation /extension of the underlying UASL has already been assured /guaranteed as a condition of NIA/License amendment which state that the underlying UASL shall be extended to make it co-terminous with the validity of the right to use the said 2.1GHz/3G Spectrum.</p>	
	<p>Without prejudice, if such migration to UL(AS)/UL is going to be mandated, then in order to have a transparent and fair</p>	

No.	Query	Response
	<p>mechanism, it is imperative that prospective bidders are fully informed about all the terms and conditions of such UL(AS)/UL well in time so that they can participate in the auctions in an informed manner.</p>	
<p>96.</p>	<p>Paragraph Number of NIA: 3.2(vi) Page Number of NIA: 18</p> <p>a) Why has DoT, after repeatedly noting that license provides for extension and not renewal, and even repeatedly correcting TRAI in this regard, has now classified metro licenses of 1994 as so-called "renewal licensees"?</p> <p>b) Applications/requests for extension have been made by existing /metro licensees under Clause 4.1 of the license agreement. DoT's action to put the 900 MHz spectrum, presently used in the networks by the existing licensee due for extension, to auction without considering, discussing, negotiating and disposing of such licensees pending applications for extension of their licenses has for all intent and purport rendered Clause 4.1 of the UAS license redundant and otiose. DoT may kindly clarify the status of such applications pending before the it?</p>	<p>a) "Renewal Licensee" is used in the context of licenses which are expiring in November, 2014.</p> <p>b) Not relevant for the NIA.</p>
<p>97.</p>	<p>Paragraph Number of NIA: 3.2(xiii) Page Number of NIA: 19</p> <p>To which category of licensee (i.e. "New Entrant", "Existing Licensee" or so-called "Renewal Licensee" do the lock-in conditions apply? In our view the conditions can only apply to "New Entrant" or to an "Existing Licensee" which has not yet completed 3 years from the date of allotment of spectrum or has not fulfilled rollout conditions, whichever is later. It cannot apply to 1994 metro licensees, which have wrongly been categorized as so-called "Renewal Licensees" since they have already fulfilled these conditions. DoT may please clarify that the 'lock-in conditions do not apply to licensees coming up for extension in 2014.</p>	<p>No change in NIA conditions</p>

No.	Query	Response
98.	<p>Paragraph Number of NIA: 3.3(6) Page Number of NIA: 20</p> <p>In case of an existing UASL, the net worth of the promoter is counted at present. If such a licensee opts to migrate to UL(AS)/UL then for all purposes the net worth of the promoter should be allowed to be considered, considering no worse off principle. DoT may please clarify that in case of migration to UL(AS)/UL, the net worth of the promoter will be counted.</p>	<p>Please refer to Unified License (Access Services) – Key Features (Section 3.3) of NIA.</p>
99.	<p>Paragraph Number of NIA: 3.3(23) Page Number of NIA: 21</p> <p>DoT may please clarify and confirm that the cross holding of substantial equity clause will apply only to the spectrum licenses and not to UL(AS)/UL Licenses. This is also in line with TRAI’s recommendations and it will be consistent with the policy that mobile services, which will require spectrum licenses, cannot be provided by two companies having cross holding of substantial equity in same serve area. DoT may please amend Clause 3.3(23) of the NIA accordingly.</p>	<p>Cross Holding conditions shall be made part of the applicable license.</p>
100.	<p>Paragraph Number of NIA: 3.6.2(i)/3.6.1(xiv) Page Number of NIA: 29</p> <p>If in case of so called “Renewal Licensees”, there are no additional roll-out obligations, then why they should provide PBGs? DoT may please clarify and confirm that in case of so-called “Renewal Licensees”, there will be no need to provide PBGs in case there are no additional rollout obligations?</p>	<p>Please see Amendment to Section 3.6.2 of NIA.</p>
101.	<p>Paragraph Number of NIA: 3.7 – Schedule A Page Number of NIA: 29</p> <p>When the spectrum cap is technology agnostic, then why are the spectrum usage charges still being prescribed on a technology specific basis?</p>	<p>It is as per spectrum band.</p>

No.	Query	Response
102.	<p>Paragraph Number of NIA: 3.7 – Schedule A Page Number of NIA: 29</p> <p>a) What is meant by “GSM operators” / “Spectrum Slab” used in the table?</p> <p>b) Does this apply to the entire quantity of 900/1800 MHz held by an operator who has deployed only some of this on GSM?</p> <p>c) Will an operator with zero deployment on GSM be at all affected by these slabs?</p> <p>d) The rule in the 3G/BWA auction was that:</p> <p>i. 3G/ BWA Spectrum to be assigned in the two Auctions shall not be counted for calculating the slab of the total spectrum holding by a licensee for levy of spectrum usage charges</p> <p>ii. Slab rate for standalone 3G operators shall be equal to the lowest slab rate in Schedule A i.e. 3% of AGR</p> <p>DoT may kindly clarify that if the spectrum taken in the present auctions is used entirely for 3G, the licensee shall pay SUC of 3% AGR. Alternatively, if the spectrum is partly used for 3G and partly for 2G/GSM, the SUC slab depend upon the quantum used for 2G/GSM?</p> <p>e) DoT may kindly clarify that if the spectrum is used for WCDMA, then, will the usage charges for the same be as per the GSM or CDMA table?</p> <p>f) What if the operator has deployed different quantities of spectrum for GSM in different parts of the circle?</p> <p>g) If the answer to question (b) and (c) above is “Yes” and (d) is “No”, then can the Government explain how will</p>	<p>a) The charges in schedule-A are applicable for 1800MHz and 900MHz band.</p> <p>b) Yes</p> <p>c) Please see clarification at a) above</p> <p>d) to g) The applicable slab rate for spectrum usage charges shall be on the combined quantum of spectrum held by licensee in 900MHz and 1800MHz put together irrespective of technology deployed</p>

No.	Query	Response
	<p>this be consistent with two SUC tables for “GSM operators” and “CDMA operators”</p>	
103.	<p>Paragraph Number of NIA: 3.7 – Schedule A / 2 Page Number of NIA: 29/10</p>	
	<p>a) It is submitted that the allocation in blocks of 1.25MHz will result in wastage of spectrum since some of the channels will not be used at all? This unit of 1.25Mhz is also not in line with any existing technologies. In the pre-bid conference when this query was raised, no cogent answer was given by DoT except that this is pursuant to recommendations of TRAI. We request that in light of very serious issue of wastage of this scarce resource, DoT and TRAI must find the optimal way of using the resource after due consultation with experts. Please clarify if DoT will intends to start this review before the spectrum is allocated in a sub-optimal manner?</p> <p>b) We again ask DoT to kindly clarify the technical reasons, if any, as to why spectrum is being allocated in blocks of 1.25MHz in all bands given that this block size leads to an inefficient and sub optimal use of spectrum. This is because the carrier for offering GSM technology, which is the predominant technology in India and will continue to be so for several years is 200KHz and allocation of blocks of 1.25MHz will lead to wastage of 0.5-0.15 MHz of spectrum respectively. The carrier for offering LTE services are also not in units of 1.25MHz.</p>	<p>a) & b) No change in the NIA</p>
	<p>At the proposed reserve prices, the successful bidders will spend Rs 39-116 crores for Delhi 900MHz which cannot be used by them and similar amount for other circles /1800 MHz. Total nationwide wastage of resources per operator can be as high as Rs 1,068 crores for 900+1800 MHz. With 5 such</p>	

No.	Query	Response
	<p>operators, this leads to wastage of Rs 5,350 crores. This is apart from the inefficient use of spectrum which is a national waste.</p> <p>We recommend that DoT considers a block size of 1 MHz for 900 and 1800, that would resolve all these issues</p> <p>c) If despite the above, the government intends to continue with blocks of 1.25MHz, is the government intending to review the spectrum slab rates as the current slab system is out of sync with the spectrum allocations, leading to unnecessary high costs for operators without corresponding spectrum use. To illustrate, an operator with 6.2 MHz allocation today would require 5 Blocks (6.25 MHz) to maintain status quo and would end up paying not just for extra 0.05MHz but would end up paying 1% higher SUC if current slabs rates were to be maintained.</p> <p>d) We understand that there is a view that the technology that can be deployed by the licensee is limited to that which can be offered in carrier/block in which the spectrum is allocated. DoT may kindly clarify that in case of allocation of spectrum in blocks of 1.25MHz in the present auction, the technology used by the licensee is not limited by/to the said block of 1.25MHz. This is without prejudice to our contention that our spectrum is already liberalized/technology neutral.</p>	<p>c) The SUC will be as notified by Government time to time</p> <p>d) Please refer section 2.3 of the NIA.</p>
104.	<p>Paragraph Number of NIA: 3.8 b Page Number of NIA: 30</p> <p>a) We note that if a so called “renewal licensee” is a successful bidder for 1800MHz and 900MHz spectrum and needs 1800MHz spectrum to be allocated before extension of its existing license” then such 1800Mhz spectrum will have an effective date that commences earlier than 900MHz</p>	<p>a) No change in the NIA</p>

No.	Query	Response
	<p>and thus there will be a permanent mismatch in the duration of 1800MHz and 900MHz in future. How will this anomaly be resolved considering the need for allocation before extension is to address any swapping issues which may be required during transition stage?</p> <p>b) For a so called “renewal licensee”, during such transition stage i.e. between the effective date of 1800MHz spectrum under Para 3.8 and date of extension of the license, the total holdings of spectrum will peak temporarily. Will it mean that for the transition stage the so called “renewal licensee” will have to pay SUC for the cumulative spectrum allocated to it even though part of the spectrum will be used just for enabling it to release spectrum at the time of extension? Please clarify.</p>	<p>b) SUC will be charged as per the rates in force from time to time</p>
<p>105.</p>	<p>Paragraph Number of NIA: 3.8 b Page Number of NIA: 30</p> <p>a) When does a so called “renewal licensee” have to indicate a preferred date of allotment for 1800MHz spectrum?</p> <p>b) What will be the time period between making of such request and actual allocation of spectrum?</p>	<p>a) Along with the intimation to WPC on compliance of payment terms.</p> <p>b) Please see section 4.7 of NIA</p>
<p>106.</p>	<p>a) If there is any spectrum unsold or otherwise available with the government in these bands after the auction, what will be the process/price through which interested parties can acquire such spectrum? Will this be allocated only through auctions or can such allocation be done through other administrative means.</p> <p>b) If the spectrum will be sold only through auctions, when will the next round of auctions be held in these service areas?</p>	<p>a) As per the government policy to be announced from time to time</p> <p>b) The schedule for subsequent auction will be announced from time to time.</p>

No.	Query	Response
107.	<p>Paragraph Number of NIA: 4.5 Page Number of NIA: 41</p> <p>a) Will the Government allow the use External Commercial Borrowings (ECB) for the purpose of making the payment for spectrum won in the auction?</p> <p>b) Further will bidders be allowed to raise ECB for the purpose of refinancing any bridge loan taken for making such payment?</p>	<p>a) & b) This will be as per applicable ECB guidelines</p>
108.	<p>Paragraph Number of NIA: 4.5.a.iv/3.8 Page Number of NIA: 41/30</p> <p>In the interest of transparency, please provide the schedule of payments for 1800MHz /900 MHz in case the bidder opts for deferred payment for spectrum that will be allocated at a future date as per Clause 3.8 (b) and (d)</p>	<p>It will be as per Section 4.5 of NIA.</p>
109.	<p>Paragraph Number of NIA: 4.7 Page Number of NIA: 44</p> <p>a) In Para 4.7, on page 44 of the NIA, DoT states in respect of New Entrants and Renewal Licensees, inter alia, that “The successful bidder will apply to DoT for grant of UL (Access Services) on prescribed format within seven calendar days of being declared successful in the auction. However, LoI issued by WPC Wing shall be submitted immediately after its receipt by the successful bidder;”</p> <p>It may be noted that the current UASL is for 20 years extendible by 10 years at one time. In case a so called “renewal licensee” is a successful bidder and has to apply for UL(AS) within seven calendar days of being declared successful in the auction then that will mean not only treating a UASL as a new license but effectively curtailing that UAS License by 2 years. Please</p>	<p>a) Existing license of “Renewal Licensees” will be suitably amended</p>

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	<p>clarify that what is the reason to curtail UASL and what is the reason that such migration, if at all opted for, cannot take place later i.e. at the time of extension? DoT may clarify that the above clause does not apply to licenses coming up for extension in 2014. This will also be in line with TRAI recommendations dated 2 January 2013 wherein TRAI has stated that it is clear that while granting the UL(AS) the DoT should clarify that this arrangement is transitional in nature and that this license is only for those bidders whose licensees had been quashed by the Order of the Hon'ble Supreme Court. Under these circumstances, the so called UL(AS) is not applicable to the so-called "renewal licensees".</p> <p>A reading of the clause 4.7 appears to suggest that such UASL, which has already invested in networks and for provision of services, is being forced to sign a license, which not defined till now and there is no any migration path and package being given for facilitating such transition. Please clarify what is DoT's reasonable plan of action for the same?</p> <p>b) In Para 4.7, on page 44 of the NIA, DoT states in respect of New Entrants and Renewal Licensees, inter alia, that "Successful Bidders shall obtain SACFA clearance and a separate wireless operating licence from the Wireless Planning and Coordination (WPC) Wing of DoT as per prescribed procedure."</p> <p>It is submitted that the so called "renewal licensees" have existing subscriber base, existing site approvals, existing microwave spectrum approvals, existing interconnect agreements and other existing regulatory approvals. DoT may kindly clarify that in case of a so called "renewal licensee" who is a successful bidder and has complied with other</p>	<p>b) Renewal licensee will not be required to obtain fresh SACFA clearance during the currency of its existing license. A separate wireless operating license will, however, be required in case there is a change in the technology deployed.</p>

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	<p>terms under the NIA, then all the said existing regulatory approvals etc. which will ensure continuity in services to the subscribers shall automatically continue irrespective to the type of the license (i.e. UASL/CMTS or UL(AS)) and wherever required, DoT/WPC shall provide automatic clearances. DoT may thus clarify that the above clause does not apply to licenses coming up for extension in 2014.</p> <p>c) It may be noted that the process that will be adopted by DoT in respect of inter alia so called “Renewal Licensees” will apply equally to all extensions coming up in future, including in 2015 and a no worse-off principle will apply. DoT may kindly clarify the same.</p>	<p>c) The conditions will be announced from time to time.</p>
110.	<p>Paragraph Number of NIA: 4.9 Page Number of NIA: 44</p> <p>DoT may kindly confirm that the available spectrum referred to in Para 4.9 pertains to spectrum available with the Government and does not cover spectrum allocated and being utilized by service providers?</p>	<p>It covers the entire spectrum including that allotted to licensees from time to time.</p>
111.	<p>Paragraph Number of NIA: 4.10 Page Number of NIA: 44</p> <p>When will the government issue the guidelines on sharing?</p>	<p>These will be issued in due course.</p>
112.	<p>Paragraph Number of NIA: 5.4.5 (sub bullet a,b,c,d) Page Number: 65-66</p> <p>a) In the Current Auction, a Provisional Winning Bidder (PWB) ceases to be a PWB if even one block receives a superior bid and is thus released from its obligation to buy the blocks allotted in the previous round. This is a change from the previous auction held in November 2012.</p> <p>b) This could cause a non-serious bidder to unnecessary bid up the price with</p>	<p>No change in NIA conditions.</p>

No.	Query	Response
	<p>limited risk and financial exposure and exit the auction without penalty after over-escalating the price.</p> <p>c) This also increases the risk of left over wasted spectrum in the auction since price escalation on a single block releases PWBs for all blocks.</p> <p>d) We suggest that if this change in Auction Rules was brought in merely to accelerate the auction process, the DoT may consider alternate options but should discourage frivolous bidding. Such options could be increase the percentage of price increment per round but the same rules for PWB as was followed in the November 2012 auctions.</p>	
113.	<p>Paragraph Number of NIA: 5.4.5 Page Number: 61</p> <p>DoT, in Para 5.4.5 at page 61 of the NIA has used the same example for explaining the two different ranking rules</p> <ul style="list-style-type: none"> • “When there is a tie according to the first criteria.” • “When there is a tie according to the first two criteria.” <p>DoT may please clarify, how can the ranking be different when the underlying conditions in the example are same.</p>	<p>The examples given are for illustration purpose only and assuming that they are tied as per the first criteria / first two criteria etc.</p>
114.	<p>Paragraph Number of NIA: 5.5/900MHz (ii) Page Number: 76</p> <p>It seems that the phrase in sub clause (b) that “If Two or more bidders won 4 or more blocks each” is a typographical error. In case of three bidders, sub clause “a” is applicable and sub clause (b) is specifically for two bidders.</p>	<p>Read the sub clause (b) as “If Two bidders won 4 or more blocks each.....”</p>
115.	<p>What is the logic and justification for a 50% reduction in price of 800MHz and 30% reduction in price of 1800MHz in Delhi, Mumbai, Rajasthan and Karnataka, when both bands saw no bidders in these service areas?</p>	<p>This is as per Government decision.</p>

No.	Query	Response
116.	What is the reasoning or justification to price 900MHz at 2x 1800MHz, when 800MHz has been priced at 1.3x, when the reasoning or justification given by TRAI is equally applicable to both bands?	This is as per Government decision.
117.	<p>a) Please explain the working of arriving at “total spectrum cap across all bands” for Delhi.</p> <p>b) Does the capping rule include spectrum allocated for 2.1GHz and 2.3GHz in 2010?</p> <p>c) Is 2.3GHz spectrum counted as paired or unpaired?</p>	<ul style="list-style-type: none"> • The Overall Cap for each of the Service Areas is calculated as 25% of the Total Spectrum assigned for Telecom services in all bands. • The Spectrum Cap in each Service Area in each band (Band-wise Spectrum Cap for each Service Area) is calculated as 50% of the Total Spectrum assigned for Telecom Services in that particular band in the respective Service Area. <p>Total Spectrum assigned so computed also includes the Spectrum (excluding top-ups) being put in the current auctions.</p> <p>b) Yes.</p> <p>c) Unpaired</p>
118.	<p>Paragraph Number of NIA: 5.2 Page Number: 48</p> <p>An existing operator, who currently holds only 1800 in a service area, is allowed to buy even 1 slot of 900 MHz in that service area during this auction. We believe that for an efficient use of 900 MHz, atleast 4 slots of 900 is required. Allowing an operator to buy just 1 slot of 900 is a waste of a scarce resource as capacity needs can be well served through 1800 MHz spectrum.</p>	It is as per Government decision.
119.	<p>Paragraph Number of NIA: 5.3 Page Number: 50</p> <p>a) The spectrum cap is applicable to spectrum post auctions. What if the spectrum put to auction is not cleared. Will the cap be changed?</p>	a) Not for this auction

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	<p>b) Will a successful bidder who has legitimately acquired spectrum in the auction be forced to return /not be allocated spectrum that would be in breach of the revised cap?</p>	<p>b) Not applicable in view of a) above</p>
<p>120.</p>	<p>Paragraph Number of NIA: 5.4.5 Page Number: 60</p> <p>Para 5.4.5 at page 60 of the NIA, mentions that “ *A Renewal Licensee has an entitlement for retaining up to a maximum of 10MHz spectrum or Current Holding (Prescribed Limit), whichever is less. For this purpose, 1800MHz and 900MHz band will be considered as a Single band. This entitlement has been incorporated in the ranking rule and to be exercised by Renewal Licensees in Service Areas of Delhi and Mumbai solely by participation and bidding. The priority in ranking for retention in 900MHz band is limited to 2.5MHz only. The priority in ranking for the balance spectrum up to the prescribed limit will be accorded in the 1800MHz band, if the Renewal Licensee submits the bid in this band at that price.”</p> <p>i. Does this mean that by just participating and placing a bid in the auction, the so called renewal licensee will get spectrum up to prescribed limit, irrespective of whether he is the highest bidder or not; OR Is the priority only for the purpose of ranking or for allocation of spectrum up to prescribed limit?</p> <p>ii. The above clause refers only to so called Renewal Licensees in Service Areas of Delhi and Mumbai. What about Kolkata?</p>	<p>Since the first criteria of the ranking rules stipulates the priority ranking for “Renewal Licensees”, Hence, the bidder(s) categorized as “Renewal Licensees” will be ranked on the top for a Clock Round Price. Hence, if a Renewal Licensee who is ranked 1 will be allocated the Spectrum (Provisionally during the Clock Rounds) up to the prescribed limit OR the number of blocks which has been bid, whichever is less. A Renewal Licensee who is ranked lower will be allocated the Spectrum (Provisionally during the Clock Rounds) up to the prescribed limit OR the number of blocks which has been bid OR balance blocks available after allocation to the higher ranked bidders, whichever is less.</p> <p>The priority ranking is available to all bidders who are categorized as “Renewal Licensee” in the respective Service Area. In the Service Area of Kolkata (900MHz band), priority ranking would be available to the Renewal Licensees up to 2.5MHz (2 blocks).</p>

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	<p>iii. The Press Statement of 15.02.2012 which conveys the decision of the Government of the TRAI recommendations of 11.05.2010 states that while extending the license, the licensee shall be assigned spectrum up to the prescribed limit. or the amount of spectrum assigned to it before the extension, whichever is less The NIA has no reference to the said decision already taken and communicated by DoT. DoT may please clarify the inconsistency between the said Press statement and the NIA and also inform whether NIA conveys a fresh decision that supersedes decision already taken on 15.02.2012?</p>	<p>There is no inconsistency.</p>
<p>121.</p>	<p>Paragraph Number of NIA: 5.4.5 Page Number: 62</p> <p>We note that a so called “Renewal Licensee” has to participate and submit the bid at the Clock Round Price to avail the facility of Priority Ranking for that particular Clock Round Price. If the bidder has not submitted the bid at a higher price, being a Provisional Winning Bidder at a price lower than the current Clock Round Price, in which case, the bidder will not be considered for priority ranking, and only the bidders who have submitted the bid at the higher price will be considered for ranking. Only in the case, where no bidder has submitted a bid at a higher Clock Round Price, the Provisional Winning Bidders from the immediate previous round will be considered.</p> <p>It thus appears that the ranking is only applicable if a bid has actually been placed by the bidder in each and every clock round and mere participation in auction or bidding in a single round will not assure spectrum upto prescribed limit. DoT may kindly clarify.</p>	<p>Yes. Ranking is only applicable if a bid has been placed by the bidder for each Clock Round Price.</p>
<p>122.</p>	<p>a) In case there are no other bidders for 900 MHz spectrum, will the so called renewal licensee be entitled to pick up</p>	<p>a) NIA is for auction of spectrum. Entitlements and caps for bidding have been clearly mentioned in NIA.</p>

No.	Query	Response
	<p>more 900MHz at reserve price or will spectrum beyond 2.5 MHz be held back for future auctions.</p>	
	<p>b) What if there is no spectrum in 1800MHz to give to so called renewal licensees, will they be accommodated in 900MHz?</p>	<p>b) Schedule for subsequent auctions will be indicated from time to time.</p>
<p>123.</p>	<p>a) If the entire or part of 900MHz being put to auction is unsold, will the price be reviewed downwards? Will such revision be applicable to the existing and so called renewal licensees?</p> <p>b) When are the next 900MHz auctions likely to be held? Given that the 900MHz is being auctioned for allocation in end 2014, will another auction be held before then or within 12 months of the end 2014?</p>	<p>a) It is premature to consider at this stage.</p> <p>b) Schedule for subsequent auctions will be indicated from time to time.</p>
<p>124.</p>	<p>As per Clause 4.1 of our license, we have applied for extension of our licenses coming up in 2014. These requests /applications are pending with DoT. We are surprised that DoT without even considering our requests or discussing terms and conditions of extension has proceeded to put our allocated spectrum to auction. It is submitted that this action of DoT is in contravention of Clause 4.1 of license.</p> <p>Without prejudice to our contentions regarding extension of period of license including spectrum under Clause 4.1 of the License agreement, DoT may kindly clarify the following:</p>	<p>a) Schedule for subsequent auctions will be indicated from time to time.</p>
	<p>a) Specifically in case of Kolkata, please clarify if the so called “renewal licensee”, is expected to match its current 900/1800 MHz spectrum holdings through only 900MHz auction or will there be a separate process of 1800 MHz extension in Kolkata before November 2014. If the government confirms that there will be a separate process later on, please clarify if the operator can get incremental 1800MHz spectrum over and above its current</p>	

No.	Query	Response
	<p>1800MHz holdings through that process.</p> <p>b) Similarly, in Mumbai and Delhi, does the so called “renewal license” need to buy 1800MHz spectrum through this auction to extend its current 1800 holdings upto the so called prescribed limit? If not, will there be a separate process of 1800 MHz extension in Delhi and Mumbai before November 2014. If the government confirms that there will be a separate process later on, please clarify if the operator can get incremental 1800 spectrum over its current 1800MHz holdings through that process.</p>	<p>b) No timelines can be indicated for future auction of spectrum in Mumbai and Delhi at this stage. Spectrum may be obtained through this auction</p>
<p>125.</p>	<p>Paragraph Number of NIA: ** Page Number: 48-49</p> <p>The note after ** states: “If the bidder is already a Provisional Winning Bidder for a minimum of four (4) blocks in either of the subsequent round at a higher Clock Round Price, even if the bidder opts for a “No” in that particular band, it will be construed as equivalent to have submitted four (4) blocks in that particular band.”</p> <p>a) Please clarify this statement with illustrations</p> <p>b) Does this mean that the auction system is over-riding the choice (“No”) made by the bidder by construing that a bid has been submitted?</p> <p>c) At what price is the bid “construed” to be submitted in such a scenario?</p>	<p>a) Please refer to Slide No. 26 (Case-2) of the presentation on the DoT website.</p> <p>b) As the bidding submission stipulates that the bidder has to bid for a minimum of 4 blocks in at least one of the bands, if the bidder is already a Provisional Winning Bidder for a minimum of 4 blocks, and subsequently not revising the bid in the subsequent round at a higher Clock Round Price, in which case, the EAS will consider as the bid to be a valid bid.</p> <p>c) The bid will be construed to be submitted at the Clock Round Price of the Round in which the same was submitted. In any case, this bid will be considered for ranking in the subsequent round (at a</p>

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126.	<p>Paragraph Number of NIA: ** Page Number: 48-49</p> <p>The note after *** states: “It is important to note that if the bidder submits a revised bid at a higher Clock Round Price in the band for which he is already a Provisional Winning Bidder for a minimum of four (4) blocks, in which case, he will cease to remain as a Provisional Winning Bidder and hence will have to ensure that a minimum of four (4) blocks has to be selected while submission in at least one of the bands.”</p> <p>a) Please clarify this statement with illustrations</p> <p>b) If a PWB in any round submits a revised bid, why would “he” cease to remain a PWB? Does it not depend on what other bids have been submitted?</p>	<p>higher Clock Round Price), only if there are no bids at the higher Clock Round Price.</p> <p>a) Please refer Slide No. 26 (Case-3 and Case-4) of the presentation which is uploaded on the DoT website.</p> <p>b) The auction rule stipulates that “the Provisional Winning Bidders from a Clock Round with a Clock Round Price lower than the current Clock Round Price will be considered only if the aggregate demand at the current Clock Round Price is Zero”.</p>
127.	<p>Paragraph Number of NIA: 3rd para (pg 53), 2nd para (pg 59), 1st para (pg 55) Page Number: 53-57</p> <p>2nd para on page 59 (Section 5.4.4, Activity Rule) implies that if a bidder reduces its demand at a higher price its Activity for that round will be calculated on the basis of the new (reduced) demand. This seems to free up the remaining Provisional Winning Blocks for switching to other service areas in the same round</p> <p>However, Page 53 3rd para, last line states: “Provisional Winning Blocks cannot be switched to other service areas.” In this case, if he is not allowed to switch bids, he will lose his eligibility points</p> <p>Please explain the anomaly with example</p>	<p>A Provisional Winning Bidder in a Service Area in a particular band ceases to be a Provisional Winning Bidder, if the bidder is revising his bid at a higher Clock Round Price for the same Service Area in the same band. In such cases, the eligibility will be calculated on the basis of the new bid.</p> <p>If the bidder is <u>NOT</u> revising his bid at a higher Clock Round Price for the same Service Area in the same band, in which case, the eligibility associated with the Provisional Winning Blocks of this particular Service Area in this band cannot be switched to other Service Areas.</p>

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128.	<p>Paragraph Number of NIA: 3rd para (p59), 1st para (p60) Page Number: 59-60</p> <p>For calculating Bidder Activity Requirement, p59 states that “rounding up” will be done whereas p69 states that “rounding down” will be done. Please clarify how both of these can be true at the same time.</p>	<p>The “rounding up” is the threshold of the Bidder Activity Requirement (BAR) which the bidders need to exercise in the current Clock Round to maintain their eligibility in the subsequent Clock Round.</p> <p>The “rounding down” is the calculation of the eligibility for the subsequent Clock Round in those cases where the bidder has not exercised their activity to the tune of Bidder Activity Requirement.</p> <p>For example, Initial eligibility Point of Bidder x is 77</p> <p>Round R Auction Activity Requirement is 80%. BAR of bidder x will be $(77*80\%) = 61.6$ rounded up to nearest whole number = 62</p> <p>If the bidder submits a bid with an associated activity of 65 points, hence eligibility of bidder in Round, $R+1$, will be 77, since 65 is equal to or greater than 62.</p> <p>If the bidder submits a bid with an associated activity of 55 points, since 55 is LESS than 62, hence eligibility of bidder in Round, $R+1$, will be $(55/80\%$ i.e. 68.75), rounded down to nearest whole number which will be 68. Hence, eligibility of bidder in Round, $R+1$, will be 68.</p>
129.	<p>Paragraph Number of NIA: Last para (p60) Page Number: 60</p> <p>a) It is stated that “A Renewal Licensee has an entitlement for retaining up to a maximum of 10MHz spectrum...” including 2.5MHz in the 900MHz spectrum. Please clarify if this is based on some policy decision and kindly communicate the precise language of the said policy decision. Assuming the policy is along the lines of the TRAI recommendation on this matter, the</p>	<p>a) The NIA conditions are based on the Government decision in this regard.</p>

No.	Query	Response
	<p>auction design does not seem to faithfully implement this.</p> <p>b) There are circumstances in which a so-called Renewal Licensee would not get any spectrum even if it has bid for 5MHz of spectrum in the 900MHz band at the price which eventually turns out to be the winning price.</p> <p>Consider a scenario where there are 4 bidders for only 900MHz spectrum in a service area where 15MHz spectrum is available. Bidder A and B are so-called renewal licensees. Bidder C and D are New Entrants. In Round n, each of them bids for 5MHz each. The first 2 slots of Bidder A are ranked 1 and 2 (“priority ranking”).</p> <p>The first 2 slots of Bidder B are ranked 3 and 4 (“priority ranking”). Due to other tie-break criteria, Bidder C and D occupy ranks 5 to 12. This implies that Bidder A and B have only 2 Provisional Winning Blocks each, and due to the other auction rules are not declared provisional winning bidders. At the next clock round price none of the bidders bid since the price is excessive. As per the auction rules, Bidders C and D would be declared winners for 5MHz each with Bidders A and B not getting any spectrum. This despite their “entitlement” as a so called Renewal Licensee and the fact that they have matched the highest price offered by the other bidders.</p> <p>Kindly clarify.</p>	<p>b) A bidder would be declared as a Provisional Winning Bidder only if he is allocated the minimum number of blocks required for each category of bidders for each of the Service Areas.</p> <p>In the Service Areas of Delhi and Mumbai, since the minimum number Provisional Winning Blocks required for a “Renewal Licensee” to be declared as a Provisional Winning bidder would be 4 blocks in at least one of the band (1800MHz or 900Mhz band), in the example cited in query, the Renewal Licensee will not be allotted any blocks, if the bidder has not been allotted at least 4 blocks in 1800MHz band.</p> <p>In the Service Area of Kolkata, since the minimum number of Provisional Winning Blocks required for a bidder categorized as a “Renewal Licensee” to be declared as a Provisional Winning bidder would be 1 block. In the example cited in query, for the Service Area of Kolkata, the Renewal Licensees would be allotted 2 blocks each.</p>
130.	<p>Page Number: 72</p> <p>Refer the statement “A Clock Round will be for a minimum duration of 30 minutes.” The time between rounds in this auction had been reduced to 30 minutes from the 60 minutes in the Nov-12 1800 auction. As highlighted in the pre bid conference, request the government to stick to 60 minutes time – as this is extremely critical</p>	<p>The Clock Round will be for a minimum duration of 60 minutes.</p>

No.	Query	Response
	for decision making	
131.	Page Number: 72-76	
	<p>So called “Renewal licensees” guaranteed high ranking and therefore contiguous spectrum if they win (this was not clear in the NIA)</p> <p>Please confirm with example that under all circumstances, the so called “renewal license” will get a minimum of 5 MHz contiguous spectrum in the 900/1800 band when both so called renewal licensees are winning bidders</p>	<p>As per the ranking rule, a Renewal Licensee who has submitted a bid at a Clock Round Price will be ranked on priority. The frequency assignment stage also makes the assignment in order of the ranking to the bidders. Hence, since, in any case, if a Renewal Licensee, has been declared a winner for a minimum of 4 blocks, will always be assigned a minimum of 4 blocks (5MHz) contiguous spectrum.</p>
132.	<p>During the pre-bid conference, we had highlighted an error on Slide-25 in the Auction rules presentation. The error is as follows: In the example for Case-1, base scenario for a new / so called renewal licensee is that the bidder is a PWB in 2 slots for 900 MHz and 0 slots in 1800 MHz band. However, this example does not comply with the auction rules stated in the NIA where the new / so called renewal bidder must be a PWB in at least 4 slots within a band in a service area to be declared as PWB.</p> <p>The auctioneer had agreed to correct it but has not done so in the slides published on the DoT website. Please clarify?</p>	<p>Typo error in the presentation.</p> <p>In the Service Areas of Delhi and Mumbai, a New Entrant or a Renewal Licensee has to be a Provisional Winning Bidder for a minimum of 4 blocks in at least one of the bands.</p>
133.	<p>We refer to our various communications to DoT on issues related to extension, discrimination, exorbitant reserve prices, classification as so called renewal licensees, public interest, process etc., which have a strong nexus with the present auctions. So far we have not received any response from DoT. We, therefore, request DoT to inform us as to what is the response of DoT on these communications with reasons. Details of these communications are being sent separately under hard copy.</p>	<p>This clarification document is against specific questions on the NIA.</p>
134.	<p>The UAS license provides for extension of license by 10 years at a time. The relevant clause of the extension given in our UASL Agreement is as under: “4. Extension of Licence</p>	

No.	Query	Response
	<p>4.1 The LICENSOR may extend, if deemed expedient, the period of LICENSE by 10 years at one time, upon request of the LICENSEE, if made during 19th year of the License period on terms mutually agreed. The decision of the LICENSOR shall be final in regard to the grant of extension.”</p> <p>Even DoT vide its comments dated 10-10-2011 on “The TRAI Recommendations dated 11.05.2010 & 08-02-2011 read with TRAI’s Clarification dated 3rd May 2011 on “Spectrum Management and Licensing Framework” sent for reconsideration by TRAI has re-iterated that:</p> <p><i>“Present licences have provisions for extension of validity period of licence. Accordingly the term „renewal” may be replaced by „extension”.”</i></p> <p>It may kindly be clarified why the term “Renewal Licensee” has been used instead of the term “Extension Licensee”?</p>	<p>“Renewal Licensee” is used in the context of licenses which are expiring in November, 2014.</p>
135.	<p>Vide press release dated 15th February 2012, DoT conveyed the Government decision in reference to extension of license along with the spectrum up to prescribed limit:</p> <p><i>“8. The validity of existing UAS (& CMTS and Basic services) licences may be extended for another 10 years at one time, as per the provisions of the extant licensing regime with suitable Terms & Conditions so as not to imply automatic continuance of existing license and related conditions including quantum and price of any spectrum allocated.</i></p> <p><i>9. On extension, the UAS licensee will be required to pay a fee which will be Rs. 2 crore for Metro and “A” Circles, Rs. 1 crore for “B” circles and Rs. 0.5 crore for “C” circles. This fee does not cover the value of spectrum, which shall be paid for separately. While extending the licence, the licensee shall be assigned spectrum only up to the prescribed limit or the amount of</i></p>	<p>Not relevant for the present auction.</p>

No.	Query	Response
	<p><i>spectrum assigned to it before the extension, whichever is less. Spectrum assigned by the Government to the licensee in excess of the Prescribed Limit shall be withdrawn”</i></p> <p>DoT may kindly clarify how it will implement the above decision of the government?</p>	
136.	<p>The operators, whose licenses are due for extension, have already applied for extension of their license. The operators are yet to receive any response on such requests.</p> <p>DoT may kindly confirm by when the Government intends to take final decision on the requests of operators for extension of their license along with the spectrum</p>	Not relevant for the present auction.
137.	<p>TRAI vide its May, 2010 recommendations had recommended the following: <i>“2.164 The Authority recommends that existing UAS licences may be renewed for another 10years at one time, as per the provisions of the existing licensing regime”</i></p> <p>The NIA released by DoT seems to be at variance with regards the recommendations from TRAI.</p> <p>DoT may clarify whether it has referred the matter back to TRAI as per the provisions of TRAI Act?</p>	Not relevant for the present auction..
138.	<p>Vide press release dated 15th February 2012, DoT conveyed the Government decision in reference to extension of license along with the spectrum up to prescribed limit:</p> <p><i>“8. The validity of existing UAS (& CMTS and Basic services) licences may be extended for another 10 years at one time, as per the provisions of the extant licensing regime with suitable Terms & Conditions so as not to imply automatic continuance of existing license and related conditions including quantum and price of any spectrum allocated.</i></p>	

No.	Query	Response
	<p><i>9. On extension, the UAS licensee will be required to pay a fee which will be Rs. 2 crore for Metro and “A” Circles, Rs. 1 crore for “B” circles and Rs. 0.5 crore for “C” circles. This fee does not cover the value of spectrum, which shall be paid for separately. While extending the licence, the licensee shall be assigned spectrum only up to the prescribed limit or the amount of spectrum assigned to it before the extension, whichever is less. Spectrum assigned by the Government to the licensee in excess of the Prescribed Limit shall be withdrawn”</i></p> <p>It appears that the provision of NIA does not adhere to the decision of Government conveyed by DoT’s press release dated 15-02-2012.</p> <p>DoT may clarify why the provisions of the NIA are against the DoT press release dated 15-02-2012?</p>	<p>Not relevant for the present auction.</p>
<p>139.</p>	<p>Clause 2.1 Page 10 (Spectrum to be auctioned)</p> <p>The NIA issued by DoT have included 900 MHz spectrum of those licensees whose licenses are expiring in Nov, 2014. This completely ignores the fact that the licenses of the existing operators have to be extended as per Clause 4 in the license agreement.</p> <p>The operators, whose licenses are due for extension, have already applied for extension and the Government is yet to take a decision on their application.</p> <p>The DoT’s press release dated 15th February 2012 also conveys the Government decision in reference to extension of license along with the spectrum up to prescribed limit.</p> <p><i>“8. The validity of existing UAS (& CMTS and Basic services) licences may be extended for another 10 years at one time, as per the provisions of the extant licensing regime with suitable Terms & Conditions so as not to imply automatic continuance of</i></p>	<p>As per the policy of the government allocation of spectrum is delinked from the license</p>

No.	Query	Response
	<p><i>existing license and related conditions including quantum and price of any spectrum allocated.</i></p> <p><i>9. On extension, the UAS licensee will be required to pay a fee which will be Rs. 2 crore for Metro and “A” Circles, Rs. 1 crore for “B” circles and Rs. 0.5 crore for “C” circles. This fee does not cover the value of spectrum, which shall be paid for separately. While extending the licence, the licensee shall be assigned spectrum only up to the prescribed limit or the amount of spectrum assigned to it before the extension, whichever is less. Spectrum assigned by the Government to the licensee in excess of the Prescribed Limit shall be withdrawn”</i></p> <p>The extension of license includes extension of presently assigned spectrum including the spectrum in 900 MHz band for further period of 10 years. The inclusion of 900 MHz spectrum in this auction even before finalizing the extension of license may result in an irreversible situation. Hence spectrum presently assigned should not be included in this auction.</p> <p>DoT may clarify how it will protect the contractual rights of the existing licensees for extension along with the presently assigned spectrum?</p>	
140.	<p>Clause 2.1 Page 10-16 (Spectrum to be auctioned)</p> <p><i>As per page 10, of NIA for Delhi and Mumbai Service areas, a bidder who is categorized as a “New Entrant” or as a “Renewal Licensee” will be required to bid for a minimum of Four (4) blocks in at least one of the bands (i.e. a minimum of 4 blocks in either 1800MHz or 900MHz band)”</i></p> <p><i>For Kolkata “The minimum number of blocks which a bidder, categorized as an “Existing Licensee” or as a “Renewal Licensee” can submit the bid is One (1)”</i></p> <p>Consider a scenario wherein a telecom operator whose license is due for extension</p>	

No.	Query	Response
	<p>in Nov'14 in both Delhi and Kolkata. In Kolkata the said telecom operator holds spectrum in both 900 MHz Band and 1800 MHz Band. No spectrum in 1800 MHz band is being auctioned in Kolkata.</p> <p>DoT is requested to clarify/confirm in reference to Kolkata service area:</p> <p>a) Since there is no spectrum being offered in 1800 MHz band, how will the DoT provide for the spectrum in the 1800 MHz band for operators whose license is due for extension to the extent they are currently holding?</p> <p>b) No priority ranking has been provided to operators whose licenses are due for extension in Nov'14</p> <p>c) Will the spectrum assigned via this auction be treated as over presently assigned spectrum?</p> <p>d) Whether it is mandatory for that licensee to participate and bid in the auction for Kolkata Service area for continuance of its spectrum in 900 MHz or 1800 MHz?</p> <p>e) Will DoT withdraw the 900 MHz allocated to the licensee upon extension and allocate spectrum up to prescribed limit in the 1800 MHz band?</p>	<p>a) The schedule for subsequent auctions will be indicated from time to time.</p> <p>b) Priority Ranking is available for "Renewal Licensees" in Kolkata.</p> <p>c) In case of existing licensee, the spectrum assigned through this auction shall be over and above the spectrum already held by the licensee in the same band. In case of renewal licensees, 900MHz spectrum won in this auction will be the only spectrum in this band at the time of renewal of the license. However, the renewal licensee has a choice to get 1800MHz spectrum won in the auction assigned as per the provisions of section 3.8 of the NIA.</p> <p>d) Yes, Renewal licensees have to participate and win in the auction.</p> <p>e) & f) Spectrum has to be won in the auction.</p>
141.	<p>Clause 2.1 Page 10-16 (Spectrum to be Auctioned)</p> <p>Delhi and Mumbai</p>	

No.	Query	Response
	<ul style="list-style-type: none"> 1800MHz band: Twelve (12) blocks of 1.25MHz each (15MHz) is being put to auction. 900MHz band: Twelve (12) blocks of 1.25MHz each (15MHz) is being put to auction. 	
	<p>Kolkata</p>	
	<ul style="list-style-type: none"> 900MHz band: Ten (10) blocks of 1.25MHz each (12.50MHz) is being put to auction.” 	
	<p>a) In both Delhi & Mumbai Circles, both the existing operators whose licenses are due for extension in Nov‘14 together have 16 MHz of spectrum in the 900 MHz band. However the spectrum being offered for auction is only 15 MHz. DoT may kindly specify the reasons for not offering the entire 16 MHz of spectrum for auction and also how and when the remaining 1 MHz will be allocated?</p>	<p>a) No change in the NIA conditions.</p>
	<p>b) In Case of Kolkata Circle, both the existing operators whose licenses are due for extension in Nov‘14 together have 17.8 MHz of spectrum in 900 MHz/1800 MHz band. However the spectrum being put for auction is only 12.5 MHz is not even sufficient to meet the current requirement of the two existing operators whose licenses are due for extension in 2014 and hence leads to creating uncertainty and artificial scarcity.</p>	<p>b) The schedule for auction in 1800MHz will be announced separately.</p>
	<p>In order to remove uncertainty and to ensure the business continuity of the operators whose licenses are due for extension in Nov‘14, DoT may kindly confirm that it will ensure availability of spectrum upto the prescribed limit?</p>	<p>Spectrum has to be won through auction.</p>
<p>142.</p>	<p>Consider a scenario, wherein both the operators whose licenses are due for extension in a circle like Delhi, are out bid by other existing or new operators in the 900 MHz/ 1800 MHz band and are not able to procure spectrum up to their current</p>	

No.	Query	Response
	<p>spectrum holding/ prescribed limit.</p> <p>DoT may confirm that it will protect the contractual rights of the existing licensees whose licenses are due for extension in 2014 and ensure availability of spectrum upto the prescribed limit at the time of extension.</p> <p>With reference to press article dated 1st Nov, 2012 which states that the EGoM has approved reservation of 2.5 MHz of spectrum in the 900 MHz band for the existing player, therefore, DoT should confirm that the 2.5 MHz of spectrum in 900 MHz band will be ensured at the time of extension</p>	<p>Spectrum has to be won through auction.</p>
143.	<p>Since, the spectrum in 900 MHz put up for auction is presently allocated to the existing licensees whose licenses are due for extension in Nov, 2014. The licensees have also applied for extension of their license.</p> <p>DoT is requested to drop auction of 900 MHz from the present auction process till the time the extension policy is finalized and the operators have a clarity on their requirements of participating and bidding in the auction.</p>	<p>No change in the NIA conditions.</p>
144.	<p>In both Delhi & Mumbai Circles, both the existing operators whose licenses are due for extension in Nov'14 together have 16 MHz of spectrum in the 900 MHz band. However the spectrum being offered for auction is only 15 MHz.</p> <p>Similarly, in Kolkata Circle, both the existing operators whose licenses are due for extension in Nov'14 together have 14 MHz of spectrum in 900 MHz band. However the spectrum being put for auction is only 12.5 MHz</p> <p>It would result in wastage of 1 MHz in Delhi and Mumbai and 1.5 MHz in Kolkata in 900 MHz band.</p> <p>It is submitted that BSNL/MTNL have not only been given spectrum beyond their</p>	<p>No change in the NIA conditions</p>

No.	Query	Response
	<p>eligibility under the applicable subscriber linked criteria, but are serving lower number of subscribers per MHz as compared to the private operators. It may be noted that:</p> <p>a) The PSU operators serve 105.21 million subscribers with 283.65 MHz 2G spectrum (GSM+CDMA). In contrast, Airtel serves 183.61 million subscribers with 168.25MHz 2G (GSM) spectrum, Vodafone serves 150 million subscribers with 144 MHz of spectrum, i.e. the PSUs serve 0.37 million subscribers per MHz as compared to over 1 million subscribers per MHz by Airtel and Vodafone.</p> <p>b) Further, the active subscriber base of BSNL and MTNL is only 54.55% and 39.78% respectively. In contrast, the top three private operators’ active subscriber base is over 93%.</p> <p>Thus, unlike the private operators, the PSU operators are clearly in a position to return some spectrum. Even TRAI in its recommendations dated 23-04-2012 has recommended that:</p> <p>“2.80 Spectrum in the 900 MHz band is very valuable both from the technical and commercial angles. Currently, this spectrum can only be used for GSM services as per the licence conditions. In order to realise the market value of this spectrum, Government will be well advised to explore the feasibility of taking back the 900 MHz spectrum by November 2014, from the licensees of 1994 and 1995 -1996 as well as the two PSUs.”</p> <p>It may be noted that return of spectrum was directed by the Hon’ble TDSAT and was also recommended by TRAI (in the case of MTNL)</p> <p>In order to avoid any wastage of spectrum and in compliance to TRAI’s recommendations, DoT is requested to include the 900 MHz band spectrum</p>	

No.	Query	Response
	<p>presently held by BSNL/ MTNL in the present auction</p>	
145.	<p>During the pre-bid conference held on 08-02-2013, the prospective bidders raised queries on several issues, the answers to which are important before the bidders can take an informed decision for participation in the auction. It was suggested by DoT to send the unanswered queries in writing by 11-02-2013, which the DoT intends to reply by 18-02-2013.</p> <p>Since the last date of submission of application is 22-02-2013, therefore post the receipt of clarifications from DoT, the bidder will be left less than 4 days.</p> <p>The clarification/replies to the queries is essential while taking the business decisions on the spectrum band and number of block which has bearing on the requirement of EMD to be submitted to DoT in the form of Bank Guarantee along with the application. Considering the same, the duration of 4 days is too short a time for application submission.</p> <p>DoT is requested to extend the timelines for submission of application by atleast 15 days from the date of issuance of all clarifications in order to enable the prospective bidders to take an informed decision.</p>	<p>No change in the NIA conditions</p>
146.	<p>Clause 5.4.5 Page 60-67 (Ranking of Bidders and Provisional Winning Bidders)</p> <p>As per press article dated 1st Nov, 2012, EGoM had approved that 2.5 MHz of spectrum in the 900 MHz band will be reserved for the existing player. Telecom companies will be allowed to retain 2.5 MHz of spectrum in 900 MHz band but they will have to pay market-determined price decided through auction.</p>	

No.	Query	Response
	<p>However there is no such provision included in the NIA. The provisions of NIA seem to be in variance with the decision of EGoM.</p> <p>a) DoT should confirm that the existing telcos would be given first right of refusal for 2.5 MHz spectrum in 900 MHz band irrespective of whether they participate/ don't participate in the auction of spectrum in 900 MHz band?</p> <p>b) DoT may clarify how NIA adheres to the decision of EGoM?</p>	<p>Spectrum has to be won through auction.</p> <p>NIA is in accordance with decisions of the Government</p>
147.	<p>Clause 4.7 Page 43-44 (Allotment of Spectrum)</p> <p>During the pre-bid conference it was clarified by DoT that the current auction is for spectrum only and the existing licensees can continue with UAS/CMTS License held by them.</p> <p>Even while granting 3G/ BWA spectrum, DoT has specified in the NIA that:</p> <p><i>“If the period of an existing UAS/ CMTS licence of an operator expires before the expiry of the right to use the 3G Spectrum awarded by means of the current Auction, then the validity of the UAS/ CMTS licence with respect to the 3G Spectrum only shall be extended to 20 years from the Effective Date on existing terms without any charges. The extension shall be done on the application of the licensee made in the 19th year of the UAS/ CMTS licence for extension of the period to make it coterminous with the validity of the right to use the 3G Spectrum.</i></p> <p><i>However, extension, if any, of the right to use any spectrum other than 3G Spectrum associated with the licence and the terms thereof, shall be specified in due course.”</i></p> <p><i>“If the period of an existing UASL/ CMTS/ ISP-category „A” licence of an operator</i></p>	<p>As the renewal licensee do not need to obtain UL(AS) immediately on winning spectrum as a result of these auctions, UL(AS) will not be applicable to them.</p> <p>Terms and Conditions of the license after expiry of existing license is not a part of the NIA.</p>

No.	Query	Response
	<p><i>expires before the expiry of the right to use the BWA Spectrum awarded by means of the current Auction, then the validity of the UAS/ CMTS licence with respect to the BWA Spectrum, if applicable, shall be extended to 20 years from the Effective Date on existing terms without any commercial charges. This extension shall be done on the application of the licensee made in the 19th year of the UAS/ CMTS licence for extension of the period to make it co-terminus with the validity of the right to use the BWA Spectrum period.</i></p> <p><i>The ISP licence, if applicable, shall be extended for 5 years at a time for a period extending up to 20 years, from the Effective Date on existing terms. However, extension, if any, of the right to use any spectrum other than BWA Spectrum associated with the licence and the terms thereof, shall be specified in due course.”</i></p> <p>Later, the above clauses were also incorporated in the UAS License of the bidders via amendments.</p> <p>However, the clause 4.7 for Renewal Licensees states the following:</p> <ul style="list-style-type: none"> • The successful bidder will apply to DoT for grant of UL (Access Services) on prescribed format within seven calendar days of being declared successful in the auction. However, LoI issued by WPC Wing shall be submitted immediately after its receipt by the successful bidder; • Upon the Successful Bidder obtaining a Unified License (Access Services) and fulfilment of conditions as may be specified, the allotment of spectrum shall be made in response to an application, on prescribed format, for such spectrum;” <p>The clause referred above is in direct conflict with the continuance of UAS/CMTS License by extension as</p>	

No.	Query	Response
	<p>provided in UAS/CMTS License and the terms and conditions specified in NIA for 3G/ BWA.</p> <p>The clause referred above is therefore unjust and should not be imposed upon the existing licensees whose licenses are expiring in 2014</p> <p>DoT should confirm the removal of clause in respect of renewal licensees?</p>	
148.	<p>Policy in respect of Spectrum Sharing and M&A are very important in determining the valuation of spectrum proposed to be auctioned.</p> <p>DoT is requested to declare the policy decisions in respect of Spectrum Sharing and M&As before the start of Auctions so that the operators are able to take an informed decision?</p>	<p>Detailed guidelines regarding sharing of spectrum would be issued in due course.</p> <p>M&A guidelines will be applicable as announced from time to time.</p>
149.	<p>Clause 4.7 Page 43-44 (Allotment of Spectrum)</p> <p>On page 44, the following is mentioned in respect of New Entrants and Renewal Licensees:</p> <p><i>“Successful Bidders shall obtain SACFA clearance and a separate wireless operating licence from the Wireless Planning and Coordination (WPC) Wing of DoT as per prescribed procedure.”</i></p> <p>For continuity of present licenses on extension, DoT is requested to remove the requirement of SACFA clearance in respect of Renewal(Extension) Licensees.</p>	<p>Renewal licensee will not be required to obtain fresh SACFA clearance during the currency of its existing license. A separate wireless operating license will, however, be required in case there is a change in the technology deployed.</p>
150.	<p>DoT while conducting last auction in Nov, 2012 has not put up entire 1800 MHz spectrum available with DoT and released from the quashed licensee for auction. The majority of spectrum in 1800 MHz was reserved for meeting the requirements replacing the 900MHz by 1800 MHz for assignment of spectrum upto prescribed limit.</p>	<p>The schedule for subsequent auctions will be informed from time to time</p>

No.	Query	Response
	<p>a) DoT is requested to inform the amount of spectrum left in 1800 MHz band post the current auction.</p> <p>b) How DoT plan to use this available spectrum in 1800 MHz in future and at the time of extension of licenses?</p>	
151.	<p>The value of spectrum is dependent on it being available contiguous or non-contiguous. The use of spectrum for advanced technologies such as WCDMA/ LTE/ LTE-A is dependent upon availability of contiguous spectrum.</p> <p>DOT may confirm that it will ensure availability of contiguous spectrum to the successful bidders.</p>	<p>Government will ensure providing 4 contiguous blocks to all bidders who have won 4 or more blocks in the same band.</p>
152.	<p>Clause 5.3.1 Page No. 50-51 & Clause 6.3.1 Page 90-91 (Overall Cap)</p> <p>The clause states that “The Overall Cap for each of the Service Areas is calculated as 25% of the Total Spectrum assigned for Telecom services in all bands (including the Spectrum put for these auctions)”</p> <p>From the Caps indicated, the calculation methodology for overall Caps is not clear.</p> <p>DoT is requested to clarify and show with illustration how the overall cap for each service area has been calculated?</p> <p>To maintain parity with paired spectrum wherein say 5 MHz of spectrum allocated in FDD mode entails actual allotment of 5 MHz +5 MHz (10 MHz) of spectrum, unpaired spectrum allocated in 2300 MHz/ 2600 MHz band should be considered as half.</p> <p>DoT is requested to clarify whether the unpaired spectrum of 1x20 MHz allocated to the operators in 2300 MHz/ 2600 MHz band treated as 20 MHz of spectrum or as 10 MHz of spectrum?</p>	<p>Unpaired spectrum in 2300MHz / 2600MHz is treated as 20MHz of spectrum.</p>

No.	Query	Response
153.	<p>Clause 5.3.1 Page No. 50-51 & Clause 6.3.1 Page 90-91 (Overall Cap)</p> <p>The clause states that “<i>The Overall Cap for each of the Service Areas is calculated as 25% of the Total Spectrum assigned for Telecom services in all bands (including the Spectrum put for these auctions)</i>”</p> <p>The allocation of spectrum in 800MHz, 900 MHz, 1800 MHz and 2.1 GHz bands is done in FDD mode having paired spectrum for uplink and downlink. Thus, 5 MHz of FDD spectrum implies actual allocation of 10 MHz [5 MHz (uplink) + 5 MHz (downlink)].</p> <p>The allocation of BWA spectrum in 2300 MHz/ 2600 MHz is in TDD mode which is unpaired. Hence, 20 MHz of BWA spectrum allocated in TDD mode implies actual allocation of 20 MHz only.</p> <p>Therefore, while calculating the overall spectrum Cap, the methodology followed should have either considered the FDD equivalent spectrum or TDD equivalent spectrum.</p> <p>It appears from the Overall Caps indicated in Table 5-C and Table 6-B, that the TDD spectrum has not been divided by 2 to make it FDD equivalent while calculating the Overall Cap.</p> <p>For example, the Overall Cap of 39.18 MHz in Delhi is arrived at considering 21.2 MHz (2x21.2MHz) spectrum in 900 MHz band, 38 MHz (2x38 MHz) spectrum in 1800 MHz band, 17.5 MHz (2x17.5 MHz) spectrum in 800 MHz band, 20 MHz (2x15 MHz) spectrum in 2100 MHz band and 60 MHz (1x60 MHz) in 2300/ 2600 MHz band.</p> <p>Had the unpaired spectrum of 60 MHz allocated in 2300/2600 MHz band considered as 30 MHz equivalent of paired spectrum, the overall cap would have been 31.68 MHz.</p>	<p>No change in the NIA conditions.</p>

No.	Query	Response
	<p>Wrong consideration in treating the unpaired spectrum also reduces the spectrum which an operator having BWA spectrum can bid. For example with the limits published in the NIA, a BWA operator can have total of 19.18 MHz of spectrum other than BWA</p> <p>While with correct consideration of spectrum cap, the same operator can have 21.68 MHz of spectrum other than BWA.</p> <p>DoT is requested to kindly correct the spectrum caps listed in NIA?</p>	
154.	<p>Clause 2.3 Page No. 16-17 (Technology)</p> <p>As per the NIA, the spectrum allocated in 800MHz, 900MHz and 1800MHz is a liberalized spectrum.</p> <p>DoT may confirm that it harmonize the spectrum so as to allow use of this spectrum for any technology.</p>	<p>Section 2.3 of the NIA clearly specifies the deployment of the technology using the spectrum won in this auction.</p>
155.	<p>Clause 2.3 Page No. 16-17 (Technology)</p> <p>Clause 2.3 on Technology states: <i>“There are no restrictions on the technology to be adopted for providing services within the scope of the service license using spectrum blocks allotted through this auction.”</i></p> <p>However, Clause 2.1 (b) states that one block of 1.25 MHz spectrum in 800 MHz band signifies actual assignment of 1.23 MHz (paired) spectrum.</p> <p>This channel plan of 1.23 MHz is specific only to CDMA. Therefore, it appears that the above two clauses are contradictory to each other.</p> <p>DoT may kindly clarify whether 800 MHz spectrum is technology neutral or only CDMA network is allowed to be deployed.</p>	<p>No change in NIA conditions.</p>
156.	<p>Clause 2.3 Page No. 16-17 (Technology)</p> <p>Will a successful bidder of 800 MHz be allowed to install a WCDMA network with</p>	<p>No change in NIA conditions.</p>

No.	Query	Response
	the assigned spectrum in 800MHz band?	
157.	<p>Clause 2.3 Page No. 16-17 (Technology)</p> <p>Will a successful bidder of 800 MHz be allowed to install a LTE/ LTE-Advanced network with the assigned spectrum in 800 MHz band?</p>	<p>No change in NIA conditions.</p>
158.	<p>Clause 6.2 Page 86-90 (Overview of the Auction Stages)</p> <p>Clause 6.2 of the NIA states that <i>“The top-up blocks are available to only those bidders categorized as “New Entrants” and to make a minimum allocation of Two (2) blocks as Provisional Winning Bidder”</i></p> <p>A bidder can only bid for a maximum of 3 blocks in 800 MHz band. In a situation when the bidder is a successful bidder with 3 blocks, the spectrum reserved for Top-up block in that circle will go unsold. Further, since there is not much spectrum available in this band, the subsequent auction of a single block may not attract any bidder and it will remain as non revenue generating inventory for a very long time or indefinitely.</p> <p>Therefore, it is advisable to assign the top up block to the operator who is a successful bidder for all 3 blocks and is also willing to take the 4th block at the auction determined price or allow the operator to bid for all 4(four) blocks. This will facilitate the operator to install a technology other than CDMA for e.g. WCDMA/ LTE etc. This change in auction rule will result in increased competition and hence will help in generating additional revenues to the exchequer.</p> <p>DoT is therefore requested to kindly consider and change the NIA accordingly.</p>	<p>No change in the NIA conditions.</p> <p>4 blocks in 800MHz band are not contiguous in any of the Service Areas.</p>
159.	<p>Unlike the existing licensee, since the spectrum to the renewal (extension) licensee will be allocated after Nov“2014, DoT shall allow the extension operators</p>	<p>No change in NIA conditions.</p>

No.	Query	Response
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to pay for the license fee at the end of expiry period of the existing license that is Nov 2014. In case Government continues with its present proposal of the payment within 10days of completion of auction, then the applicable interest (@9.75%) from the date of payment to the allocation shall be adjusted in the future payments.

160. As discussed during the pre-bid conference, the DoT/ WPC can look forward to making available contiguous 5 MHz of spectrum in 800 MHz band by re-configuration of frequencies assigned to the existing operators.

As per the information available, the following is the status in respect of spectrum in 800 MHz band:

S. No	Service Area	Total Spectrum in 800MHz band (in MHz)	Spectrum allocated to TSPs other than quashed licensee	Spectrum available with DoT in 800 MHz band (in MHz) including the spectrum with quashed licensee	No. of blocks required to be reconfigured for making 5 MHz contiguous in 800 M	No. of blocks required to be reconfigured for making 5 MHz contiguous in EGSM band
1	NE	19	7.38	11.62	0	0
2	Assam	19	7.38	11.62	0	0
3	MP	19	9.84	9.16	0	4
4	Mumbai	19	12.3	6.7	0	4
5	Maharashtra	19	12.3	6.7	0	4
6	H.P	19	7.38	11.62	1	1
7	Orissa	19	8.61	10.39	1	1
8	J & K	19	7.38	11.62	1	1
9	Haryana	19	9.84	9.16	1	1
10	Gujarat	19	9.84	9.16	1	3
11	WB	19	8.61	10.39	1	3
12	Kolkata	19	11.07	7.93	1	4
13	Delhi	19	12.3	6.7	2	2
14	AP	19	11.07	7.93	2	2

No.	Query				Response		
15	Karnataka	19	12.3	6.7	2	2	
16	TN	19	9.84	9.16	2	2	
17	UP (E)	19	11.07	7.93	2	2	
18	Bihar	19	11.07	7.93	2	2	
19	Kerala	19	12.3	6.7	2	2	
20	UP(W)	19	11.07	7.93	2	2	
21	Chennai	19	11.07	7.93	2	2	
22	Punjab	19	12.3	6.7	2	4	
23	Rajasthan	19	14.76	4.24	NA	NA	

It can be seen from table above that the provision of contiguous 5 MHz in 800 MHz band requires:

- a) 5 Circles - No change
- b) 7 Circles – One block needs to be reconfigured
- c) 10 Circles – Two blocks needs to be reconfigured

Similarly, provision of 5 MHz contiguous spectrum in EGSM band requires:

- a) 2 Circles - No change
- b) 4 Circles – One block needs to be reconfigured
- c) 9 Circles – Two blocks needs to be reconfigured
- d) Rest Circles – Three to four blocks need to be reconfigured

The harmonization/ reconfiguration of frequencies should not be a much difficult task as WPC has already conducted such activity for 1800 MHz band during the Nov, 12 auction.

Provision of 5 MHz contiguous spectrum increases the value of spectrum and will help in increased participation and fetching greater revenues to the exchequer.

DoT is requested to consider the proposal and make available 5 MHz of contiguous spectrum in 800 MHz band. No change in NIA conditions.

No.	Query	Response
161.	<p>Clause 1.3 Page 7-8 (The Auctions)</p> <p>As per the NIA, <i>“The award of Spectrum in 1800MHz and 900MHz band shall be conducted as a single process while the award of Spectrum in 800MHz band shall be conducted as separate and distinct process”</i>. In a technology neutral environment, there is no distinction between 800, 900 and 1800 MHz band. Therefore;</p> <p>To bring in fairness and equality in treatment of all the spectrum bands, DoT should consider conducting a simultaneous auction of all bands which will not only provide a fair choice to the bidder but also ensure a larger participation and hence higher revenue to exchequer.</p> <p>Alternatively, given the fact auction of spectrum in 800 MHz is a bigger auction involving auction of spectrum in 21 service areas as compared to 5 in case of spectrum in 1800 MHz/ 900 MHz bands, DoT should consider conducting spectrum auction in 800 MHz band first followed by auction of spectrum in 1800 MHz/ 900 MHz band.</p>	<p>No change in NIA conditions.</p>
162.	<p>Clause 5.4.8, 6.4.8 Clause Page 70-71 & 107-108 (Top-up Rules)</p> <p>DoT vide the NIA has already defined the maximum that an operator can bid basis the Overall Cap and the Cap in the particular spectrum band which renders the need for Top-up block irrelevant.</p> <p>It is not understood why the spectrum which is made available by the DoT in the form of Top-up blocks is only being reserved for new entrants.</p> <p>DoT may consider making the Top-up blocks available to both the existing as well as new entrants and the allocation of same being governed only as per the Caps defined in the NIA.</p>	<p>No change in the NIA conditions.</p>

No.	Query	Response
163.	<p>Clause 4.5 Page 41 (Payment Terms)</p> <p>DoT is requested to indicate explicitly the rate of interest to be applicable for instalment calculation under the deferred payment methodology.</p>	<p>9.5 %</p>
164.	<p>Clause 4.5 Page 41-43 (Payment Terms)</p> <p>The licenses of some operators are due for extension in Nov, 2014. The effective date of spectrum allocation is also proposed to be from Nov, 2014</p> <p>However as per the NIA, the winning bidder they are required to pay for the spectrum acquired through the said auction upfront or through a deferred payment mechanism with an applicable rate of interest.</p> <p>Considering the fact that the license of the existing players is valid uptill Nov‘14, they should be provided with the option of making the payment on date of expiry of the current license period. DoT is requested to kindly consider and clarify the above?</p>	<p>No change in NIA conditions.</p>
165.	<p>Clause 5.3.1 Page 10 (Overall Cap)</p> <p>Consider a telecom company ‘A’ which holds 49% stake in another company ‘B’ having spectrum under ISP/UASL License to offer BWA services in a circle like Delhi/ Mumbai.</p> <p>Will the BWA spectrum held by the company ‘B’, in which the telecom company ‘A’ holds 49% equity stake be included while calculating the spectrum capping for the telecom company ‘A’ in that particular Circle.</p>	<p>For the purpose of this auction, the BWA spectrum of entity ‘B’, will not be included for the purpose of calculating spectrum cap of entity ‘A’.</p>
166.	<p>Clause 7 Page 123-124 (Application Instructions)</p> <p>Clause 7 states that the <i>“Withdrawal of Applications shall be allowed by means of a written request to the “Department of Telecommunications” up to seven calendar days before the scheduled start of the Auctions.”</i></p>	<p>Withdrawal of Applications shall be allowed up to 5 PM on 5th March, 2013.</p>

No.	Query	Response
	<p>DoT is requested to clarify whether the exact date and time till when the application can be withdrawn by the prospective bidder.</p>	
167.	<p>Clause 1.4 Page 9 (Timetable)</p> <p>The list of pre-qualification of Bidders will be put up on DoT website on 04-03-2013, wherein the details of all the bidders along with total EMD and corresponding eligibility points will be displayed.</p> <p>The last date of withdrawal of application is also up to seven calendar days before the scheduled start of the Auctions i.e. by 04-03-2013</p> <p>It is also quite probable that the time lines for withdrawal which are normal working hours in DoT may expire even before the list of pre-qualified bidders is put up by DoT on its website</p> <p>During the auction in Nov, 2012, the list of pre-qualified bidders was announced on 28th Oct, 2012 and the last date of application withdrawal was 05-11-2012, thereby giving the bidders sufficient time (8 days) to access the situation and withdraw in case they wished so.</p> <p>Therefore it is requested to consider the above facts and give sufficient time gap between the announcement of pre-qualified bidders and withdrawal of applications.</p>	<p>Withdrawal of Applications shall be allowed up to 5 PM on 5th March, 2013.</p>
168.	<p>Table 5-G Page 82 (Service Areas, Reserve Price, Deposits required and Eligibility Points for e-auction of spectrum in 1800 MHz and 900 MHz band)</p> <p>The Reserve price in Delhi Circle for a block of 900 MHz band is Rs.970.30 Crs. This is 2 times that of the 1800 MHz Block. But the eligibility points associated with the 900 MHz band is 58 which are more than 2 times the corresponding 1800 MHz Band (28). However, on the contrary, the required EMD deposit for a block in 900 MHz band is Rs. 96 Crs which is only 1.6x of the EMD</p>	<p>No change in NIA conditions</p>

No.	Query	Response
	<p>required for the corresponding 1800 MHz band.</p> <p>Eligibility point should be proportional to the EMD as both determine the eligibility of a bidder to bid. DoT should consider bringing the EMD deposit for the 1800 MHz band down to have the same correlation with the corresponding 900 MHz band for both Delhi and Mumbai circle.</p>	
169.	<p>Clause 5.4.5 Page 60-67 (Ranking of Bidders and Provisional Winning Bidders)</p> <p>As per Page 63 of the NIA, “<i>a bidder would be declared as a Provisional Winning Bidder only if he is allocated the minimum number of blocks required for each category of bidders for each of the Service Areas</i>”.</p> <p>“In the Service Areas of Delhi and Mumbai, the minimum number of Provisional Winning Blocks required for a bidder categorized as a “New Entrant or as a “Renewal Licensee” to be declared as a Provisional Winning bidder would be 4 blocks in at least one of the band (1800MHz or 900Mhz band), irrespective of whether the bidder has submitted a bid for more than 4 blocks”.....</p> <p>Similarly in case of 800 MHz auction, “a bidder would be declared as a Provisional Winning Bidder only if he is allocated the minimum number of blocks required for each category of bidders for each of the Service Areas.”</p> <p>The telecom operators bidding for a particular number of blocks in a particular band are basis technical and marketing strategy along with rigorous financial evaluation. Any reduction in the number of blocks allocated on declaring the operator as a provisional winning bidder can have a significant bearing on the feasibility of the technology deployment.</p>	<p>To remove any uncertainty in the bidding No change in the NIA conditions.</p>

No.	Query	Response
	<p>process, it is suggested that the telecom operator should not be allocated number of blocks less than what it has bided for. DoT should amend the NIA accordingly.</p>	
170.	<p>Clause 5.4.5 Page 60-67 (Ranking of Bidders and Provisional Winning Bidders)</p> <p>As per Page 60 of the NIA: “A Renewal Licensee has an entitlement for retaining up to a maximum of 10MHz spectrum or Current Holding (Prescribed Limit), whichever is less. For this purpose, 1800MHz and 900MHz band will be considered as a Single band. This entitlement has been incorporated in the ranking rule and to be exercised by Renewal Licensees in Service Areas of Delhi and Mumbai solely by participation and bidding. The priority in ranking for retention in 900MHz band is limited to 2.5MHz only. The priority in ranking for the balance spectrum up to the prescribed limit will be accorded in the 1800MHz band, if the Renewal Licensee submits the bid in this band at that price.”</p> <p>As per the conditions mentioned in the NIA, in the Service Area of Delhi and Mumbai, the renewal licensee has to bid for a minimum of four (4) blocks in either 1800MHz or 900MHz band in the respective Service Area.</p> <p>Given the requirement of minimum four blocks of bidding in either 1800 MHz or 900 MHz band in the respective Service Area, the DoT should consider extending the priority in ranking for retention in 900 MHz band from current 2.5 MHz to 5.0 MHz and balance to be accorded in the 1800 MHz Band. This is all the more important in 900 MHz band as despite of having the priority ranking for 2 blocks in Delhi/ Mumbai, the operator may not be declared as provisional winning bidder because of the minimum requirement of 4 blocks as explained in scenario below:</p> <p>Suppose an operator “A” whose license is due for extension in Nov’14 bids for only 4</p>	

No.	Query	Response
	<p>blocks in 900 MHz. With the priority ranking in play, the 2 blocks bided by him will be eligible for being provisional winning bidder, however the other 2 bids will be treated as normal bids and will ranked as per the ranking criterion. If the other two blocks does not rank amongst the top 12 blocks, then operator “A” would not be declared as a provisional winning bidders as it has not met the requirement of winning a minimum of 4 blocks in either 900 MHz Band or 1800 MHz Band.</p> <p>Considering the above Case, DoT should consider providing priority for a minimum of 4 blocks in Delhi, Mumbai and Kolkata</p>	<p>No change in the NIA conditions.</p>
<p>171.</p>	<p>Clause 5.4.5 Page 60-67 (Ranking of Bidders and Provisional Winning Bidders)</p> <p>DoT is requested to illustrate/ explain the ranking of the bids/ bidders explicitly using different scenarios for clarity on the rules. This should include priority ranking scenarios operating simultaneously in 900/1800 rounds.</p> <p>Consider an Illustration</p> <p>There are 5 operators “A”, “B”, “C”, “D” and “E” who bids in both 900 MHz Band & 1800 MHz in Delhi. Both “A” and “B” are Renewal Licensee (as per the categorization of NIA), “C” and “D” are New Operators and “E” is an Existing operator. Their Bidding in round 1 and round 2 are shown in Annexure A, B, C & D:</p> <p>At the end of Round 1, Operator “A”, “B” & “E” bids for 4 blocks each in 900 MHz Band, while in 1800 MHz band operator “C” bids for 2 blocks. The bidding position is shown in Annexure A & B:</p> <p>Considering the above scenario, while Operator “C”s 2 blocks bid ranks 1, but it does not meet the criterion of winning 4 blocks in either of the band. Hence it won’t be allocated 2 blocks in 1800 MHz band. In this scenario will the provisional winning</p>	<p>There is mis-match in the query and the example provided in the query.</p> <p>As per the example cited in the query, at the end of Round-1, Operator “A” and “B” being Renewal Licensees would be allocated 2 blocks each in 900MHz band & 4 blocks each in 1800MHz band as they are ranked 1 & 2 respectively in both the bands. Operator “C” will be ranked 3 in 900MHz band and will be allotted 4 blocks while not getting any block in 1800MHz band. Operator “D” will be allotted 4 blocks in 900MHz band and 2 blocks in 1800MHz band. Operator “E” will be allotted 2 blocks in 1800MHz band only.</p> <p>Since the excess demand is positive in both the bands, the Clock Round Price in Round 2 will be incremented to a higher Clock Round Price.</p>

No.	Query	Response
	<p>bidders of last round remain as PWB. What will be the result for round 2 in 1800 MHz band?</p>	<p>At the end of Round 2, in 900MHz band, Operators “A”, “B” & “E” will be declared as Provisional Winning Bidders for 4 blocks each. In 1800MHz band, since Operator “C” doesn’t fulfil the criteria of minimum of 4 blocks, hence will not be allotted any blocks. Therefore, there will be no bidders declared as PWB in 1800MHz band at the end of Round 2. Since there has been a bid at a higher Clock Round Price, no bidders from Round 1 at a lower Clock Round Price will be considered as PWB.</p>
172.	<p>Clause 5.4.5 Ranking of Bidders and Provisional Winning Bidders</p> <p><i>As per NIA, Page 60, “A Renewal Licensee has an entitlement for retaining up to a maximum of 10MHz spectrum or Current Holding (Prescribed Limit), whichever is less. For this purpose, 1800MHz and 900MHz band will be considered as a Single band. This entitlement has been Renewal Licensees in Service Areas of Delhi and Mumbai solely by participation and bidding. The priority in ranking for retention in 900MHz band is limited to 2.5MHz only. The priority in ranking for the balance spectrum up to the prescribed limit will be accorded in the 1800MHz band, if the Renewal Licensee submits the bid in this band at that price”</i></p> <p>In all 3 circles, Delhi, Mumbai and Kolkata, there are two operators each whose licenses are due for extension in Nov’14. However, as per NIA, the provision of priority ranking are only applicable in Delhi & Mumbai and not for Kolkata.</p> <p>a) DoT is requested to treat Kolkata Circle at par with Delhi and Mumbai as far as the priority ranking is concerned.</p> <p>b) DoT is also requested to clarify the advantages/disadvantages of priority ranking to the operators whose licenses are due for extension in Nov’14.</p>	<p>a) Priority Ranking is available to the Renewal Licensees in the Service Areas of Delhi, Mumbai and Kolkata.</p> <p>b) As per decision of Government of India.</p>
173.	<p>Consider a scenario, wherein an operator “A” whose license is due for extension in</p>	

No.	Query	Response
	<p>Nov'14 in Mumbai, bids for 4 Blocks in 900 MHz. Basis its category it is eligible for priority ranking for 2 blocks.</p> <p>DoT is required to clarify that with the priority ranking being applicable, will it's all 4 blocks be ranked together or 2 blocks will have priority ranking and the other 2 blocks will be ranked differently. The same is requested to be clarified through an illustration as mentioned below:</p> <p>Suppose in Case 1: Its 2 blocks are ranked 1st and 2nd while its other two blocks are ranked 11th and 12th. Will operator "A" have a single rank for all its 4 bids or 2 ranks for a set of 2 blocks?</p>	<p>A single rank will be generated for a bidder in a Service Area in a band. The rank generated will be of the priority rank only.</p> <p>In the case of Renewal Licensees in the example cited in the query, the Bidder will be ranked 1 with 4 blocks.</p>
174.	<p>Consider a scenario, wherein an operator "A" whose license is due for extension in Nov'14 in Mumbai circle bids for 4 Blocks in 900 MHz and 6 Blocks in 1800 MHz. As per the priority ranking criterion operator "A" should get priority for 2 blocks in 900 MHz band and priority for 6 Blocks in 1800 MHz band. DoT is requested to kindly confirm the same. Further, what happens to the balance 2 blocks in 900 MHz band?</p>	<p>The Operator "A" will get priority for 2 blocks in 900MHz band and for up to 6 blocks in 1800MHz band. In the example cited in the query, if there is no other Renewal Licensee who has submitted the bid, in which case, bidder "A" will get priority for 2 blocks in 900MHz band and for 6 blocks in 1800MHz band. The balance of 2 blocks might be allotted to "A", depending on the ranking generated.</p> <p>If assuming, another Renewal Licensee "B" has bid for 8 blocks (10MHz) in 1800MHz band and ZERO block in 900MHz band is ranked higher in 1800MHz band, in which case bidder "B" will be allotted 8 blocks in 1800MHz band. In such a case, Bidder "A" will be allotted 2 blocks in 900MHz band and 4 blocks in 1800MHz band.</p>
175.	<p>Consider a scenario, wherein an operator "A" whose license is due for extension in Nov'14 in Mumbai bids in only 1800 MHz band for 8 Blocks. Since the operator has not bid for the 900 MHz band, as per the priority ranking criterion will operator "A" get priority in all 8 Blocks or 6 blocks. DoT is required to kindly confirm the same.</p>	<p>Yes. As per the example cited in the query, Operator "A" is entitled for priority in all 8 blocks in 1800MHz band.</p> <p>The allotment will depend on the ranking of the operator and other Renewal Licensees, who might be ranked higher than "A".</p>
176.	<p>Clause 5.2 Page 46-51 (Overview of the Auction Stages)</p>	<p>As per page 49 of NIA, " <i>In the Service</i> In the Service Areas of Delhi and Mumbai,</p>

No.	Query	Response
	<p><i>Area of Delhi and Mumbai, the bidder has to bid for a minimum of four (4) blocks in either 1800MHz or 900MHz band in the respective Service Area. Hence, if the bidder selects a minimum of four (4) blocks in either 1800MHz or 900MHz band in the Service Area of Delhi, he can select a minimum of One (1) block in the corresponding 900MHz or 1800MHz band in Delhi. The bidder can also bid for four (4) blocks in both 1800MHz and 900MHz bands.</i></p> <p>* If the bidder has selected a minimum of four (4) blocks in either 1800MHz or 900MHz band, in which case, he can also opt for a “No” in the corresponding 900MHz or 1800MHz band.</p> <p>** If the bidder is already a Provisional Winning Bidder for a minimum of four (4) blocks in either of the band, then in the subsequent round at a higher Clock Round Price, even if the bidder opts for a “No” in that particular band, it will be construed as equivalent to have submitted four (4) blocks in that particular band.”</p> <p>As was discussed during the pre-bid conference, DoT is requested to clarify the above scenario through an illustration.</p>	<p>the bidder has to bid for a minimum of four (4) blocks in either 1800MHz or 900MHz band in the respective Service Area.</p> <p>Please refer to slide No. 26 of the presentation on the DoT website.</p> <p>Please refer to slide No. 26 (Case-2) of the presentation on the DoT website.</p>
177.	<p>Spectrum Holding Capping Rule</p> <p><i>As per page 50 of NIA, “The bidding by the bidders for each of the Service Areas in each of the bands will be restricted by a Cap which would depend on the Spectrum assigned in the respective band (1800MHz/ 900MHz) and also on the Total Spectrum assigned in all the bands. The Overall Cap for each of the Service Areas is calculated as 25% of the Total Spectrum assigned for Telecom services in all bands (including the Spectrum put for these auctions).”</i></p> <p>DoT is requested to provide computation that will be used in the auction software to keep a check that no operator breaches the maximum capping rule as mentioned in the NIA.</p>	<p>The EAS will calculate the Spectrum Cap based on the Total Spectrum Assigned as on the last date of submission of Application. The total spectrum assigned also includes the Spectrum (excluding top-ups) being put in</p>

No.	Query	Response
	<p>Will the spectrum acquired by an operator, whose license is due for extension in Nov'14 in either of 900 MHz/ 1800 MHz band will be counted over and above the spectrum currently held by them for computing the maximum capping rule.</p> <p>For e.g consider a scenario, where in an existing operator (holding 10 MHz spectrum) whose license is due for extension in Nov'14 participates for 4 blocks of spectrum in either of the spectrum. In this case how will the total spectrum of this operator be computed to check his eligibility wrt to spectrum capping during each clock round.</p>	<p>the current auctions.</p> <p>The total current holding is excluding the spectrum which is due for renewal in 2014. (Explained in the paragraph below Table 5-C (Page 51), 5-D (Page 51), and 5-E (Page 51) of the NIA).</p> <p>In the example cited in the query, the total spectrum of the operator will be computed based on the holdings in other bands i.e. other than 1800MHz and 900MHz bands.</p>
178.	<p>Clause 5.4.9 Page 71-74 (Length of Clock Rounds and Extension Period)</p> <p>As per page 72 of the NIA, for Auction of spectrum in 900 MHz Band and 1800 MHz Band, the Clock Round will be for a minimum duration of 30 minutes. The auction will go to the extension mode as per the bids which are submitted by the bidder.</p> <p>Whereas in case of auction of the 800 MHz Band, as per page 109 of NIA, a Clock Round will be for a minimum duration of 1 hour (60 minutes).</p> <p>DoT is also requested that the minimum duration of a Clock round be kept as 1 hour (60 minutes) for auction of spectrum in 1800MHz and 900 MHz band as due time is required to make decisions between the rounds.</p>	<p>The minimum duration of a Clock Round will be kept as 60 minutes for the auction of spectrum in 1800MHz and 900MHz bands.</p>
179.	<p>Clause 3.7 Page No. 29-30 (Spectrum Usage Charges)</p> <p>Clause 2.3 on Technology states: “There are no restrictions on the technology to be adopted for providing services within the scope of the service license using spectrum blocks allotted through this auction. The successful bidder shall provide details of the</p>	<p>Spectrum Usage Charges shall be payable as per the rates notified by the government from time to time.</p>

No.	Query	Response
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technology proposed to be deployed for operation of its services using spectrum blocks allotted through this auction within one month of obtaining the licence, if the technology happens to be other than GSM/CDMA/WCDMA.”

The Clause 3.7 states that: “A spectrum usage charge in addition to the spectrum auction price as a percentage of the Adjusted Gross Revenue (AGR) shall be payable by the successful bidder as per the rates notified by the Government from time to time. Spectrum usage charges shall be payable as per the slabs/ rates notified by the Government from time to time. The present spectrum usage charges are mentioned below:

<i>Schedule A: Charges for GSM operators</i>	
<i>Spectrum Slab</i>	<i>% of AGR</i>
<i>Up to 4.4 MHz</i>	<i>3%</i>
<i>Up to 6.2 MHz</i>	<i>4%</i>
<i>Up to 8.2 MHz</i>	<i>5%</i>
<i>Up to 10.2 MHz</i>	<i>6%</i>
<i>Up to 12.2 MHz</i>	<i>7%</i>
<i>Up to 15.2 MHz</i>	<i>8%</i>

<i>Schedule B: Charges for CDMA operators</i>	
<i>Spectrum Slab</i>	<i>% of AGR</i>
<i>Up to 5 MHz</i>	<i>3%</i>
<i>Up to 6.25 MHz</i>	<i>4%</i>
<i>Up to 7.5 MHz</i>	<i>5%</i>
<i>Up to 10 MHz</i>	<i>6%</i>
<i>Up to 12.5 MHz</i>	<i>7%</i>
<i>Up to 15 MHz</i>	<i>8%</i>

It is not understood, when all the spectrum in 900 MHz, 800 MHz and 1800 MHz is technology neutral and can be used for providing GSM, CDMA, WCDMA, LTE etc technologies, how the distinction of GSM and CDMA operator would continue?

No.	Query	Response
	<p>In a technology neutral environment, DoT should impose the uniform Spectrum Usage Charge for the same quantum of spectrum held by any category of operator.</p>	
180.	<p>Clause 3.7 Page No. 29-30 (Spectrum Usage Charges)</p> <p>DoT's M&A 2004 policy states that if any merger takes place between GSM & CDMA operator then for the purpose of spectrum charge, the merged entity would have to pay such charge on combined spectrum. Further, M&A 2004 policy also stated that for the purpose of upper spectrum limit, both CDMA & GSM spectrum would be considered as "total spectrum"</p> <p>TRAI in its recommendation on "Recommendations on Review of license terms and conditions and capping of number of access providers" dated 28th August 2007 also suggested the imposition of Spectrum Usage Charge basis the combined spectrum holding in GSM and CDMA band.</p> <p>The NIA vide its clause 2.3 on Technology has also stated that: "There are no restrictions on the technology to be adopted for providing services within the scope of the service license using spectrum blocks allotted through this auction."</p> <p>Therefore, we believe that non-charging of spectrum usage charge on the combined holding i.e. GSM+CDMA or 800 MHz+900 MHz+1800MHz on the total revenue and instead charging the separate spectrum usage charge separately on the GSM and CDMA holding on the respective AGR, not only results in loss of revenue to the exchequer but results in serious discrimination between GSM and CDMA operators.</p> <p>This anomaly has not been addressed even in present NIA which allows the separate Spectrum Usage Charges for CDMA and GSM spectrum which results in a situation</p>	<p>Spectrum Usage Charges shall be payable as per the rates notified by the government from time to time.</p>

No.	Query	Response
	<p>where the where an operators is able to hold two different spectrum i.e. GSM and CDMA without attracting the cross holding restrictions as mandated under two separate UAS/CMTS licensees having Access Spectrum.</p>	
181.	<p>Clause 3.7 Page No. 29-30 (Spectrum usage charges):</p> <p>The Conditions mentioned with respect to Spectrum Usage Charges is currently subjudice and shall be subject to final outcome of Court proceedings and hence any participation to the auction during the pendency of the proceedings should in no event be construed as having given up on any of these issues. The DoT is requested to kindly take note of the same.</p> <p>DoT is therefore requested to clarify in NIA that since the matter is sub-judice therefore Spectrum Usage Charges shall be in compliance to the Court proceedings?</p>	<p>Spectrum Usage Charges shall be payable as per the rates indicated in the NIA and as may be notified by the government from time to time.</p>
182.	<p>Clause 3.7 Page No. 29-30 (Spectrum usage charges):</p> <p>It has been indicated that “while computing the annual spectrum charges – Applicable Adjusted Gross Revenue (AGR) shall be computed in accordance with the provisions of the relevant service licence.”</p> <p>Although the AGR definition is available for the present UASL/CMTS license, but it is neither available for “Unified License (Access Service)” nor for Unified license without spectrum.</p> <p>TRAI in its recommendations on „Guidelines for Unified License/ Class License and Migration of existing licenses“ dated 16-04-2012 have recommended that <u>only the revenue from the wireless services shall count towards AGR calculation for the limited purpose of calculation of spectrum usage charge.</u></p> <p>Subsequently, TRAI vide its</p>	<p>There is no change in the AGR definition.</p>

No.	Query	Response
	<p>recommendations on “Terms and Conditions of Unified License (Access Services)” dated 02-01-2013 has reiterated that “while calculating “AGR” for limited purpose of levying spectrum charges based on revenue share, revenue from wireline subscribers shall not be taken into account.”</p> <p>We presume that the DoT will apply and charge Spectrum Usage Charges only on the revenues earned from the services using the spectrum for all licenses including the present UAS/ CMTS licenses. Please clarify?</p>	
183.	<p>Clause 3.7 Page No. 29-30 (Spectrum Usage Charges)</p> <p>The auction of spectrum in 1800 MHz, 900 MHz and 800 MHz band is to obtain the market determined price of spectrum. Therefore, it is important that all the operators participating in auction are compared similarly basis the total cost of spectrum. In the present auction of Spectrum, the cost of spectrum has two components:</p> <ul style="list-style-type: none"> a) One time charges for Spectrum b) Recurring Spectrum Usage Charges <p>While the participants are only being compared basis the one-time charges for spectrum, no consideration is given to the differential spectrum usage charges being charged for the spectrum, which is also a substantial component of the cost of ownership of spectrum.</p> <p>The Spectrum Usage charges for the auctioned spectrum have been proposed as an escalating rate from 3-8% depending upon the total spectrum held by the operator and the spectrum being allocated through auction will be included along with the administratively allocated spectrum for determining the slab for payment of Spectrum Usage Charges.</p> <p>The Spectrum Usage Charges proposed in the NIA is in complete contrast to its press</p>	

No.	Query	Response
	<p>release dated 31st Oct 2008, the recommendations of TRAI dated 23rd Apr 2012, the policy adopted during the 3G/BWA auction and international best practices.</p> <p>DoT vide its Press Release dated 31st Oct, 2008 on “DOT Stand on access service licensing” had stated on record that:</p> <p><u>“In case spectrum is auctioned, it would not have been possible to charge the higher spectrum usage charges of the order of 2-6% and maintenance and administration cost which is typically of the order of 0.5% to 1% could be recovered in a judicial manner.”</u></p> <p>TRAI vide its recommendations dated 23-04-2012 also stated the following w.r.t. Spectrum Usage Charges:</p> <p><u>“3.152 The Authority is of the view that once spectrum is obtained through an open auction, the other charges should not have any further element of collecting the rent for assignment of spectrum. Any such charge should be only to cover the administrative costs attendant with resource management. As all spectrum in future shall be acquired through auction, the Authority would like the Spectrum Usage Charges to be minimal at 1% of the Adjusted Gross Revenue. The guidelines for Unified Licence already stipulate that only the revenue accrued through wireless services shall be taken into consideration for the purpose of levy of Spectrum Usage charges.</u></p> <p><u>3.153 In respect of licensees who have a mix of administratively assigned spectrum and spectrum acquired through auction, the principle for levy of Spectrum usage charges shall be on lines similar to the 3G spectrum i.e., the spectrum holder will continue to pay the SUC as applicable on the spectrum acquired through administrative process. However, in their case, the AGR will be the total AGR earned through spectrum acquired through auction</u></p>	

No.	Query	Response
	<p><i>and administratively acquired spectrum. In the event the spectrum holder, who is in category 2 or 3 pays the current auction determined price for the spectrum that is administratively assigned, then it will be entitled to the payment of Spectrum usage charges at the rate of 1% of the AGR.”</i></p> <p>While the above recommendations on Spectrum Usage Charges were sent to TRAI for reconsideration, TRAI again recommended for a fixed percentage as Spectrum Usage charges vide the following recommendations:</p> <p><i>“...The holders of the 3G spectrum are liable to pay minimum spectrum charges @3% of AGR. Since it is not feasible to segregate the revenues earned from spectrum in the 800/900/1800 MHz band and 3G spectrum, there can be a situation where operators also holding 3G spectrum, migrate from spectrum usage charge of 3% or more to 1% of AGR. Besides possible risk of arbitrage, it may be construed as changing the NIA conditions.</i></p> <p><i>In view of the above, the Authority is in favour of modifying the recommendation in Para 3.154 and retaining the levy of Spectrum usage Charge (SUC) at 3% instead of 1%. All the other conditions regarding the SUC will remain same.”</i></p> <p>However, the decision of DoT, to add the spectrum being allocated through auction in the administratively allocated spectrum, for determining the slab for payment of Spectrum Usage would lead to a situation where both the new and existing operators pay the same one time charges determined via auction; but an Existing Operator already having an existing revenue stream from the existing spectrum would be required to pay 1-2 % extra revenue share on in addition to 5-8% on the additional/new revenue generated from the spectrum allocated via auction. On the other hand, the new operator with no revenue stream would be required to pay only @3-4% on the revenues earned using the</p>	

No.	Query	Response
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spectrum allocated via auction. The table below compares the difference in cost of ownership of spectrum between new and existing operator:

S No	Charges	New Operator	Existing Operator
A	One time charges for spectrum determined through auction	Same	Same
B	Additional Spectrum Usage Charges on "Revenues from the existing spectrum (Both 2G and 3G)"	Nil as the new operator has no present AGR	1% of the present AGR in case the operator is allocated 1 block of 1.25 MHz 2% of the present AGR in case the operator is allocated 2 blocks of 1.25 MHz
C	Spectrum Usage Charges on "Revenues from the Spectrum being assigned via this auction."	3-4%	5-8%

The escalating spectrum Usage Charges for the Spectrum obtained by auction lead to wide variation in the total cost of ownership of spectrum being allocated through this auction between the existing operators viz-a-viz the new entrants (operators)

- a) **Additional spectrum usage charge on the revenues earned using the existing spectrum (as indicated at „B“ in table above) would tantamount to imposition of additional cost only on the existing operators. In many cases, it would be substantial as compared to the reserve price. Therefore, we would request DoT to correct this error which is leading to a huge**
- a & b) No change in the NIA conditions.

No.	Query	Response
	<p>discrimination between the new entrant and existing operators.</p> <p>b) To remove the discrimination on account of “Additional Spectrum Usage Charge on revenues from existing spectrum“(as indicated at “B” in table above), we would suggest non-inclusion of quantum of spectrum allocated via auction for the purpose of determination of slabs for the Spectrum Usage Charge.</p>	
184.	<p>Clause 2.3 Page No. 16 (Technology):</p> <p>Clause 23.1 of the existing UAS License states:</p> <p>“23.1 The Licensee shall provide the details of the technology proposed to be deployed for operation of the service. The technology should be based on standards issued by ITU/TEC or any other International Standards Organization/ bodies/Industry. Any digital technology having been used for a customer base of one lakh or more for a continuous period of one year anywhere in the world, shall be permissible for use regardless of its changed versions. A certificate from the manufacturers about satisfactory working for a customer base of one lakh or more over the period of one year, shall be treated as established technology”</p> <p>Clause 2.1 and 24.1 of the existing CMTS license states:</p> <p>“2.1 The licensee shall be permitted to provide, in its area of operation, all types of mobile services including voice and non-voice messages, data services and PCOs utilizing any type of network equipment (however, the technology must be digital), including circuit and/or packet switches, that meet the relevant International Telecommunication Union (ITU)/Telecommunication Engineering Center (TEC) standards. Provided that a pilot project may also be approved and licensed for any period by the Licensor for</p>	<p>No change in NIA conditions.</p>

No.	Query	Response
	<p>inducting a new Technology....</p> <p>Clause 24.1 The Bidders shall specify the details of the technology (which shall always be digital), quality of service and other performance parameters of the system proposed to be deployed for operation of the service. The technology should be based on standards issued by ITU/TEC or any other International Standards Organization/bodies and the licensee shall seek the approval of the licensor before deployment of such technologies. Any digital technology having been used for a customer base of one lakh or more for a continuous period of one year anywhere in the world, shall be permissible for use regardless of its changed versions. A certificate from the manufacturers about satisfactory working for a customer base of one lakh or more over the period of one year, shall be treated as established technology.”</p> <p>The above clauses of the UAS/ CMTS license clearly state that the licensee is allowed to deploy any technology be it for the Access Network, Transport Network or the Core Network.</p> <p>Similarly, the clause 2.3 on Technology states: “There are no restrictions on the technology to be adopted for providing services within the scope of the service license using spectrum blocks allotted through this auction.”</p> <p>The above clause 2.3 on technology in the NIA as well as the present license conveys that the technology neutrality enshrined in the license is not only limited to the core network but also includes the radio access network using the spectrum. Thus, the term liberalization of the spectrum used in NIA is already a subset of overall technology neutrality available to the licensee. Hence an operator having a CMTS/UAS license is not required to get its present spectrum liberalized and therefore no question of any payment for the same.</p> <p>Therefore, DoT may ensure that this</p>	

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

No.	Query	Response
	artificial distinction between the overall technology neutrality defined in the UAS/ CMTS License, the Clause 2.3 of the NIA and the proposed technology neutrality of access network/spectrum (which is also being termed as liberalization of spectrum) is rectified.	
185.	Is spectrum obtained in auction of 800 MHz band ‘liberalized’?	<p>At this stage liberalization.of spectrum is applicable to spectrum holding in 1800 MHz band only.</p> <p>Existing spectrum holding is not liberalized. Services to be provided will be governed by the terms and conditions of the licence under which the spectrum has been allotted . The existing licensees can use the spectrum in 800MHz band allotted in this auction along with the existing spectrum holding in 800MHz band for deployment of CDMA technology.</p>
186.	Is liberalization of existing spectrum holdings in 800 MHz band allowed? If yes, what are the Terms and Conditions and if not what are the reasons?	Please refer to reply to query 185
187.	When will the winners (especially renewal licensees) be allotted spectrum in 1800/ 900 band. Immediately after auction or at the time of renewal of licenses.	Please refer to Sections 3.8 & 4.7 of NIA.
188.	When these “Renewal” licensees will have to pay for spectrum won in the forthcoming auction – now (i.e., immediately after the auction) or at the time of renewal of licenses?	In accordance with section 4.5 of NIA.
189.	If the “Renewal” licensees are asked to pay the auction determined price now will they be allowed to use the spectrum now? Also, clarify whether the OTC (One Time Chagres) be payable by such renewal licensees?	Spectrum has to be obtained by participation and winning in the auction.
190.	When will the 20-year period start for spectrum won by the “Renewal” licensees?	Please refer to Section 3.8 of NIA.
191.	If they are asked to pay price at the time of renewal of licenses, will they be charged over and above the ADP plus SBI PLR?	No change in NIA conditions.

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

No.	Query	Response
192.	Are the “Renewal” licensees allowed to retain 2 MHz spectrum in 1800 band in Delhi and Mumbai and pay the ADP or they will have to bid for that as well and win it in the auction?	Spectrum has to be obtained by participation and winning in the auction
193.	With the government doing away with the cap on bidding number of blocks, can a new operator bid for 4 blocks (i.e., 5 MHz) of spectrum in 800 band subject to availability as shown in the Draft NIA.	No change in NIA conditions.
194.	Will the existing operators (who opt for liberalization of spectrum upon payment of ADP) get 5 MHz contiguous spectrum?	Government will ensure providing 4 contiguous blocks to all bidders who have won 4 or more blocks in the same band.
195.	Will the government announce Unified License guidelines before the auction starts?	The terms and conditions will be announced in due course
196.	In Kolkata, there is no auction in 1800 MHz. How will the Renewal licensee get its spectrum in this band? Is it by paying the last ADP obtained in November 2012 or any other method? Since, there is auction of 1800 MHz in Delhi and Mumbai but not in Kolkata. There seems to be discrepancies in this.	The schedules for subsequent auctions will be announced from time to time.
197.	The operators will pay OTC for 900 and 1800 MHz bands, then why only 1800 MHz will get liberalized?	OTC has been applied for existing spectrum holding beyond 4.4MHz.
198.	Does DoT have plans to liberalize BWA spectrum also?	Not relevant for this auction.
199.	Please confirm that an operator is free to introduce additional technology in the same band and in the same circle i.e. say GSM and LTE together in the same spectrum as obtained through auction?	Please refer to section 2.3 of the NIA.
200.	How the operator will ensure use of liberalized and non-liberalized spectrum when both the spectrum is going to be used in the same network and may be for the same service?	This has to be ensured by the licensee within the provisions of section 2.3 of the NIA.
201.	What is the possibility of spectrum becoming available in 11 districts of	This would be announced as and when spectrum becomes available.

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

No.	Query	Response
	Rajasthan in 1800 MHz band and 800 MHz in whole of Rajasthan where it is currently not available and timelines for the same?	
202.	When would TTL get its GSM spectrum in 39 districts spread over 9 circles for which the payment was already made in 2008?	This has no relevance to present auction.
203.	As per point 24 on page 21, the Government reserves the right to amend the license conditions and guidelines from time to time: Please confirm that there will be no unilateral amendments.	Amendments will be carried out as and when required as per the terms and conditions of license.
204.	On page 66, it is mentioned that - The Government reserves the right to change the above (allotted) frequencies without assigning any reason at any point of time. Can the Government do so after the frequencies are allotted through auction for commercial use? Please clarify.	No change in the NIA conditions.
205.	Is there any provision of surrendering the part of existing spectrum allocated to the operators and getting refund/credit?	There is no such provision.
206.	Hon'ble TDSAT has passed order in petition 299 of 2010 whereby TTL was placed at No 1 in the waitlist for startup spectrum? Please clarify, when Govt is going to implement this TDSAT order?	Not relevant to this auction.
207.	When will DoT come up with new M&A guidelines for handling transactions post 2G auction?	M&A guidelines will be applicable as announced from time to time.
208.	When will DoT announce spectrum sharing guidelines?	Detailed guidelines regarding sharing of spectrum would be issued in due course.
209.	If any bidder bids 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 deposit 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. Please provide DoT views.	The Government may undertake other penal action as well against such a bidder.

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

No.	Query	Response
210.	As the auction of CDMA spectrum is planned in 800 MHz only, which is currently being used by CDMA operators, what is the DoT's plan to meet the growing spectrum needs of 2G service of current CDMA operations? In what alternate bands, spectrum will be made available and timeline?	Not relevant to this auction
211.	Whether Active infrastructure sharing will be allowed post 2G auction? On what conditions?	Amendments to the licenses for active infrastructure sharing will be issued in due course.
212.	Given that Active and Passive sharing are allowed and also considering the fact that convergence of technologies and services is taking place, can the existing licensees share their Active RAN? Even in the same circles? This will save costs to operators and can lead to affordable services to customers. When will DoT formalise the active RAN sharing through license amendment.	Amendments to the licenses for active infrastructure sharing will be issued in due course.
213.	What plans does DoT have on auctioning LTE and other 4G bands?	The schedules for subsequent auctions will be indicated from time to time.
214.	When will the next round of 3G auction take place?	The schedules for subsequent auctions will be indicated from time to time.
215.	Will an operator require any specific clearance from DoT prior to engaging in active infrastructure sharing?	Yes. Amendments to the licenses for active infrastructure sharing will be issued in due course.
216.	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?	Frequency reconfiguration within the same band may be carried out, with the authorization of WPC Wing, among the licensees, only when the entire spectrum held by them is liberalized. No charges will be levied for the same.

Annexure-A:

Circle	Delhi			Round No	1	
Band	900 MHz			Price	INR 100	
s. no	bidder's name	nos of blocks bid	bids rank	Provisional winning Blocks	Provisional Winning Rank	
1	A	4	A1	3	YES	2
			A2	4	YES	
			A3	19	NO	
			A4	20	NO	
2	B	4	B1	1	YES	1
			B2	2	YES	
			B3	17	NO	
			B4	18	NO	
3	C	4	C1	5	YES	3
			C2	6	YES	
			C3	7	YES	
			C4	8	YES	
4	D	4	D1	9	YES	4
			D2	10	YES	
			D3	11	YES	
			D4	12	YES	
5	E	4	E1	13	NO	
			E2	14	NO	
			E3	15	NO	
			E4	16	NO	
Total Demand		20				
Excess Demand		8				

Annexure-B:

Circle	Delhi			Round No	1	
Band	1800 MHz			Price	INR 100	
s. no	bidder's name	nos of blocks bid	bids rank	Provisional winning Blocks	Provisional Winning Rank	
1	A	4	A1	5	YES	2
			A2	6	YES	
			A3	7	YES	
			A4	8	YES	
2	B	4	B1	1	YES	1
			B2	2	YES	
			B3	3	YES	
			B4	4	YES	
3	C	2	C1	13	NO	
			C2	14	NO	
4	D	2	D1	9	YES	3
			D2	10	YES	
5	E	2	E1	11	YES	4
			E2	12	YES	
Total Demand		14				
Excess Demand		2				

Annexure-C:

Circle	Delhi			Round Nos	2	
Band	900 MHz			Price	INR 108	
s. no	bidder's name	nos of blocks bid	bids rank	Provisional winning Blocks	Provisional Winning Rank	
1	A	4	A1	3	YES	2
			A2	4	YES	
			A3	11	YES	
			A4	12	YES	
2	B	4	B1	1	YES	1
			B2	2	YES	
			B3	5	YES	
			B4	6	YES	
3	C					
4	D					
5	E	4	E1	7	YES	3
			E2	8	YES	
			E3	9	YES	
			E4	10	YES	
Total Demand		12				
Excess Demand		0				

Annexure-D:

Circle	Delhi			Round Nos	2	
Band	1800 MHz			Price	INR 102	
s. no	bidder's name	nos of blocks bid		bids rank	Provisional winning Blocks	Provisional Winning Rank
1	A					
2	B	4				
3	C	2	C1	1	YES	1
			C2	2	YES	
4	D					
5	E					
Total Demand		2				
Excess Demand		-10				