

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

**Queries & Responses
to
Notice Inviting Applications
dated 6th January, 2021**

**Government of India
Ministry of Communications
Department of Telecommunications
28th January, 2021**

Sl. No	Query	Response
1	<p>Technology (Clause 2.3):</p> <p>The Clause 2.3 that <i>“the successful bidder shall provide details of the technology proposed to be deployed for operation of its services using spectrum block assigned through this auction within one month of obtaining the license, if the technology happens to be GSM/WCDMA/LTE/CDMA.”</i></p> <p>We submit that the spectrum obtained through auction is technology neutral. Further, with advent of technology, a particular technology developed in one band gets harmonised across all bands over a period of time, as also seen in case of LTE. Similarly, IMT-2020 or 5G technology is now established and commercial deployments are already done in many countries, which include 5G deployment on bands offered under this auction. As we are aware, 700 MHz band in this auction has already been identified as 5G band long back during WRC-12 and WRC-15 deliberations. Further, large amount of handsets with 5G support on these bands are already available in India. Thus being an established technology and to meet the objectives as per clause 1.2 of the NIA, 5G technology should be included along with GSM/WCDMA/LTE/CDMA technologies specified in the NIA for the purpose of granting exemption from providing details of the technology</p> <p>Providing one year prior intimation in case of switching over to a different technology</p> <p>Requiring prior clearance to ensure no harmful interference is caused</p>	<p>In case of switching over to a different technology (other than GSM/WCDMA/LTE/CDMA), while rolling out the networks for compliance of roll out obligations, information regarding the new technology to be given, before any new technology Base Station site is offered for testing, is reduced to six months from one year.</p> <p>Please refer to the amendment to NIA.</p>

<p>2</p>	<p>Technology (Clause 2.3, Page 14)</p> <p>Clause 2.3 states as below: <i>...The successful bidder shall provide details of the technology proposed to be deployed for operation of its services using spectrum block assigned through this auction within one month of obtaining the license, if the technology happens to be GSM/ WCDMA/ LTE/ CDMA.</i></p> <p>Prior NIA had the following clause (2015 NIA): <i>...The successful bidder shall provide details of the technology proposed to be deployed for operation of its services using spectrum blocks allotted through this auction within one month of obtaining the license, if the technology happens to be <u>other than</u> GSM/ WCDMA/ LTE/ CDMA.</i></p> <p>We believe that the words “other than” have been missed mistakenly as there is no rationale in intimation to DoT when the spectrum is being used for the existing technologies. Intimation to DoT shall only be required in case the spectrum is used for other technologies not being used presently by TSPs such as 5G etc. DoT is requested to clarify and amend the NIA accordingly</p>	<p>No change in NIA.</p>
<p>3</p>	<p>Technology (Clause 2.3, Page 14)</p> <p>DoT has recognized four technologies viz. GSM/ CDMA/ WCDMA/ LTE for deployment. DoT is aware that 5G has now evolved as a recognized technology for use in the spectrum bands proposed to be auctioned.</p>	<p>Please refer to the response at Sl. No. 1.</p>

	<p>Accordingly, DoT is requested to kindly confirm that the spectrum being auctioned, being liberalized spectrum would be allowed to be used for 5G.</p>	
4	<p>Spectrum Usage Charges (Clause 2.4)</p> <p>It is reiterated that Spectrum Usage Charges (SUC) had its relevance when the spectrum used to be allocated administratively to TSPs. However, in an auctioned Spectrum scenario, levy of SUC is actually an anomaly and should be done away with completely. Otherwise, at most it should be kept to recover the administrative cost of spectrum management and only such charges should be levied on spectrum obtained through this auction.</p> <p>In any case, it is imperative that the Government should notify SUC applicable for this auction, well before start of the Auction, so as to provide certainty and prior clarity to all bidders and the same may be clarified.</p>	<p>SUC order will be published on the DOT website before the date of the auction.</p>
5	<p>Duration (Clause 2.5)</p> <p>As per the referred clause, the validity period of the spectrum is 20 years from the Effective Date, which in turn will be from 31st day of receipt of upfront payment or the date of Frequency Assignment Letter, whichever is earlier. The clause 7.1.1 states that DOT will issue a Frequency Assignment Letter within 30 days from the date of receipt of upfront payment.</p>	<p>No change in NIA.</p>

	<p>In an unlikely even, if there is a delay in issuance of Frequency Assignment Letter, it would lead to start of spectrum validity without getting assignment of spectrum. Therefore, it is requested that the effective date should be made only from the date of Frequency Assignment Letter, which will protect interests of all stakeholders.</p>	
<p>6</p>	<p>Effective date of Spectrum allocation (Clause 2.5, Page No. 17) Clause 2.5 defines Effective date as follows:</p> <p><i>The date of frequency assignment as mentioned in the Frequency Assignment Letter specifying the frequencies to the successful bidder. It is clarified that the period of twenty (20) years shall commence from 31st day of receipt of upfront payment or the date of frequency assignment as mentioned in the Frequency Assignment Letter whichever is earlier, except in cases where frequency spots will become available the next day after expiry of current license as indicated in Annexure F of Section 12.6 of this NIA.</i></p> <p><i>The spectrum in 800, 900 & 1800 MHz bands being released due to expiry of licenses as indicated in Annexure F, the next day of the date of expiry of the existing licenses in respective LSAs shall be the 'Effective Date'.</i></p> <p>In this regard, DoT is requested to that the effective date be linked only with the date of frequency assignment.</p>	<p>Please refer to the response at Sl. No. 5.</p>

7	<p>Assignments of Spectrums (Clause 7.1)</p> <p>7.1.3 Procedure for New Entrants</p> <p>We submit that for new entrants whose existing spectrum is expiring, the same spectrum spots held by them earlier should only be allocated again to enable seamless migration to the renewed spectrum and avoid unnecessary switching of spots or a lengthy frequency reconfiguration process later on.</p>	NIA is self-explanatory.
8	<p>Frequency Reconfiguration (Clause 9.1.3)</p> <p>We submit that in case an operator is currently holding liberalized spectrum acquired through any of the prior auctions and that same operator subsequently acquires spectrum in the same frequency band, in order to ensure efficient use of spectrum and provide certainty for the investment, such operator should be assured of contiguous harmonised spectrum holding before assignment of the spectrum. Further in case of TDD bands, it is equally critical to have such harmonisation across adjoining LSAs as well to avoid issue of inter-circle boundary interference.</p> <p>In view of the above, DOT should notify policy to ensure time bound initiation and closure of frequency reconfiguration exercise before issuance of Frequency Assignment Letter i.e. within 30 days from the date of receipt of upfront payment.</p>	NIA is self-explanatory.

Frequency allocation and re-configuration (Harmonization) – Clause 9.1.3

Over the years, DoT has successfully carried out harmonization across various spectrum bands leading to efficient use of spectrum by operators, the benefit of which has accrued to the population at large in the form of latest technology and quality of services.

The administrative spectrum (which will be expiring 2021 and which is now being put for auction) is not contiguous at present with the liberalised/auctioned spectrum. However, now post auctions such spectrum will not be administrative and if sold it will be meant to be used by buyers in combination with their existing liberalised/auctioned spectrum in same band as one contiguous chunk. This is also a fundamental requirement for achieving more capacities and efficiency.

It is, therefore, required that the DoT may kindly ensure that harmonization is immediately done post “Effective Date”, so as to allow operators the ability to efficiently use the available spectrum resources, cause minimum disruption to the services offered by them and order equipment accordingly. The DoT may kindly confirm this and provide corresponding timelines for such harmonization exercise required to be carried out by WPC post auction to allow operators to plan their network deployments and transition in an effective manner.

Please refer to the response at Sl. No. 8.

<p>10</p>	<p>Overview of the Block sizes (Clause 9.5)</p> <p>In the last auction, the provision for minimum bid quantity for new entrants was 5 MHz for spectrum in 900 MHz and 1800 MHz and in case the spectrum availability was less than that then the minimum bid quantity, was reduced to 0.6 MHz for 900/1800.</p> <p>However, in the present NIA, it can be noted that such minimum bid quantity has now been reduced to 0.2 MHz for new entrants. Such 0.2 MHz spectrum would be of no use for new entrants. This change is done without any reason, especially when sufficient amount of spectrum is available in both these bands and can also be misused to the detriment of the existing licensees. Therefore, it is requested that the provisions of earlier NIA for minimum bid quantity to be restored for all spectrum bands</p>	<p>No change in NIA.</p>
<p>11</p>	<p>Overview of the Block sizes (Clause 9.5)</p> <p>We further submit that in case of 800 MHz, even though the block size mentioned is 1.25 MHz, the actual allocation is only 1.23 MHz. This was based on the carrier and inter-operator guard band requirement of the now practically defunct CDMA technology, which are no more relevant in case of LTE technology. Further if a licensee obtains 5 MHz of spectrum in each band say 800, 900 and 1800 MHz spectrum band, it will get frequency assignment for 5 MHz in 900 and 1800 MHz, however in 800 MHz spectrum band the actual assignment will only be 4.92 MHz, i.e. denying 80 KHz of precious</p>	<p>No change in NIA.</p>

	<p>spectrum. Further for all other purpose like calculation of reserve price, block size, spectrum cap etc. size of 1.25 MHz is taken into account against the actual assignment of 1.23 MHz. This discrepancy is more evident because same technology is being deployed in all these bands and there is no justification whatsoever for continuing 1.23 MHz assignment as against 1.25 MHz.</p> <p>Therefore, it is requested that frequency assignment in 800 MHz should be done for complete 1.25 MHz instead of 1.23 MHz.</p>	
<p>12</p>	<p>Block Size (Table 9.5, Page 65 & 66)</p> <p>The block size in 800 MHz is specified to be 1.25 MHz. However, DoT actually allocated 1.23 MHz carrier only.</p> <p>The carrier size of 1.23 MHz was relevant when CDMA was deployed. Now, since LTE is deployed in the band, the actual allocation of spectrum should be 1.25 MHz. A TSPs winning 4 blocks only gets actual allocation of 4.92 MHz as against 5 MHz.</p> <p>DoT is requested to confirm that a winning bidder will be actually assigned 1.25 MHz blocks in 800 MHz band</p>	<p>Please refer to the response at Sl. No. 11.</p>
<p>13</p>	<p>900 MHz and 1800 MHz - (Multiple clauses 3.2 (i) & (ii), 8.1.1, 9.1.1)</p> <p>We submit that earlier, for deciding associated Eligibility conditions, treating as 'existing licensee' for the purpose of</p>	<p>NIA is self-explanatory. No change in NIA</p>

	<p>deciding spectrum block bidding eligibility, for treating the roll-out obligation fulfilment and other purposes 900 MHz and 1800 MHz bands were being treated as one band due their co-deployment in 2G technologies. However, with technology neutrality, advent of new technologies that are present in all bands and no new deployment of 2G, such special dispensations, as mentioned above, should be extended to all bands and cannot be limited only to 900 MHz and 1800 MHz bands.</p>	
14	<p>Details of Spectrum put to Auction including Reserve Price (Clause 12.1 – Annexure A)</p> <p>We submit that, in case of 1800 MHz spectrum band, the reserve prices are specified for all LSAs irrespective of the availability of spectrum. In order to facilitate benchmarking, it is requested that reserve prices can be provided for all spectrum bands put to auction for all LSAs, irrespective of the availability of the spectrum for auction</p>	<p>Annexure-A has been amended.</p> <p>Please refer to the amendment to NIA.</p>
15	<p>Auction Time Table (Clause 1.3)</p> <p>In view of the appointment of new Auctioneer and possible teething issues in streamlining auction process, it is suggested that if necessary the Mock Auction starting on 26th February should be extended to the next day as well, on the request of any of the bidder.</p>	<p>Auction Timetable is amended to provide 2 days for mock auction and 3 days' gap between mock auction and the start of auction.</p> <p>Please refer to the amendment to NIA.</p>
16	<p>Timetable (Clause 1.3, Page 10)</p>	<p>Please refer to the response at Sl. No 15.</p>

	<p>As per the timetable, indicated in Clause 1.3, there is only two days gap between the Mock Auction and the Start of the Auction.</p> <p>It is submitted that sufficient gap is required between mock auction & actual start of auction due to the following reasons:</p> <p>Any technical glitch in the mock auction may require the bidders some extra time for making themselves familiar with the auction system</p> <p>Consequent to the mock auction, the bidder may be required to make some technical changes/corrections which may arise during the mock auction.</p> <p>Due to the aforesaid reasons, it is therefore essential to have some time gap between the end of mock auction and the start of the auction.</p> <p>DoT is requested to kindly provide a gap of at least three-four days between end of mock auction and start of auction.</p>	
17	<p><u>Timetable – Section 1.3</u></p> <p><i>More time required between release of the NIA and last date of application. In last auction (Oct'2016) the time gap between these two dates was T+37 days which is now reduced to T+30. Hence, the last date for application should be February 12, 2021, instead of February 5, 2021.</i></p> <p><i>As you are aware, the industry is passing through a difficult phase and banks are reluctant to give Bank Guarantees to the</i></p>	Please refer to the amendment to NIA.

telecom operators. Hence, it is requested that while the application can be submitted by February 12, 2021 as mentioned in “a” above, the deadline for furnishing the EMD should be 2 days before the start of auction i.e. by February 26, 2021. In that case the first list of eligible applicants may be released subject to submission of EMD and the final list of eligible applicants may be released 1 day before the auction.

No working day between Mock Auction (February 26 – Friday) and Actual Auction (March 01 - Monday). It is to be noted that inspite of having the same Auctioneer during last auction (October 2016), there was a gap of 3 working day between mock auction (26th & 27th September 2016) and actual auction (01st October 2016). We propose DoT to consider the following

i. Mock Auction should be for minimum 2 days, specifically considering change in the Auctioneer, operators need to get familiarised with the changes in Auction software.

ii. Actual auction should start at least 5 working days after the end of the mock auction, so as to provide additional day for the mock auction (in case, it is required) as well as to provide sufficient time to the Auctioneer to make any change in the software basis the feedback from operators. In past, we had noticed various issues with the auction software and auctioneer needed more time to reflect the changes suggested by various operators.

iii. The last change in auctioneer happened in Mar’15 auction and we had faced several issues during the mock auction. The relevant mail (Annexure – 2) sent to the auctioneer in this connection is attached herewith. While things may be smoother this time, but we need to plan in a manner so that there is enough time to understand the new

	platform and make changes that are necessary based on the experience in the mock auction.	
18	<p>Applicable Interest Rate in case of Partial Allotment of Spectrum (Clause 2.1)</p> <p>Through License amendment, DOT has already migrated to MCLR as benchmark rate for charging interest. Accordingly, the NIA specifies MCLR +4% while charging interest on delayed payments. However, DOT is still using SBI PLR to calculate indexed value of the balance spectrum in case of partial allotment of spectrum.</p> <p>It is requested that DOT to use MCLR as benchmark for applicable cases, as SBI PLR is no longer the benchmark used by DOT itself.</p>	No change in NIA
19	<p>Spectrum to be auctioned (Clause 2.1, Page 12)</p> <p>In the note, it is mentioned that delayed collection of winning bid price due to non-availability of spectrum in any district will be indexed on SBI PLR.</p> <p>DoT has generally moved away from SBI PLR to SBI MCLR.</p> <p>DoT to requested to kindly confirm modification in Clause that SBI MCLR will be applicable in case of future payments that needs to be done upon spectrum becoming available in non-available districts</p>	No change in NIA

20	<p>Spectrum blocks put up for Auction (Annexure F, Page 1 to 75) Annexure F indicating the frequencies put up for auction does not indicate any frequency spot that is available partially</p> <p>DoT is requested to confirm if all the frequency spots are available in entire LSA or indicate clearly the frequency spots available partially</p>	<p>In Tamilnadu service areas, some spectrum blocks put to auction in 900/1800 MHz band are available in either erstwhile Tamilnadu or Chennai service area w.e.f. different dates, as mentioned in Annexure F of the NIA. Such blocks, if assigned to successful bidders, will be assigned partially i.e. in only one part of the service area till its availability in the other part of the LSA. Dates of availability of spectrum blocks in each part of the LSA have already been mentioned explicitly in Annexure F to the NIA.</p>
21	<p>Publishing Operator wise Current Spectrum Holding Details</p> <p>It is requested that the spectrum map of all operators, detailing current spectrum holding quantum in each band, frequency spots, type of spectrum and validity should be published before start of the auction, for the purpose of transparency and help bidders in decisions making.</p>	<p>Quantum of Spectrum holding of all the existing TSPs will be published on the DoT website, before the date of the auction.</p>
22	<p><u>Others</u></p> <p>We request DoT to share the following:</p> <p>Updated Operator wise spectrum holding in various frequencies.</p> <p>Operator wise frequency wise details of the expiring spectrum which is being put to auction in Mar'21, so that the distinction between the new spectrum and renewal spectrum of existing licensees is clear to the bidders.</p>	<p>Please refer to the response at Sl. No. 21.</p>
23	<p>Backhaul Spectrum (MWA & MWB) (Clause 2.2, Page 14)</p>	<p>No change in NIA.</p>

	<p>Assignment of backhaul spectrum is necessary to use the Access Spectrum being made available through auction. It is pertinent to mention that assignment of backhaul spectrum has not happened in last 5 years despite the tremendous increase in requirement of backhaul considering the increase in access spectrum held by TSPs and surge in data traffic.</p> <p>There is no formal policy for assignment of microwave and a provisional policy is in place since last 5 years which envisages only 4 microwave carriers in Metro and Category A service areas and 3 carriers for Category B & C service areas. Moreover, request for allocation of microwave even after following the due process remains pending for months.</p> <p>There is an immediate requirement to formalize the policy and allocate backhaul spectrum in proportion to the access spectrum being acquired by the TSP. This can be done by refarming & allocation of free backhaul spots in different frequency bands.</p> <p>DoT is requested to kindly confirm that allocation of backhaul spectrum will be carried out on priority basis considering the imminent requirement.</p>	
24	<p>Earnest Money Deposit (Clause 4.1.4, Page 30)</p> <p>As per Clause 4.1.4:</p>	No change in NIA.

	<p><i>The EMD will be returned following failure to pre-qualify, or following the end of the auction and after meeting all the necessary obligations under the Auction Rules, as applicable</i></p> <p>DoT is required to kindly confirm the time-frame within which the EMD will be returned from date of end of auction</p>	
<p>25</p>	<p><u>We have noticed the following changes in the EMD for 1800 MHz and 2500 MHz compared to last auction</u></p> <p><i>Table A.4 - For 1800 MHz, the EMD has been kept same for all circles as it as in 2016 except for Delhi and Mumbai where the EMD has been increase by 2x (from Rs. 7.5 crs per block to Rs. 15 crs per block).</i></p> <p><i>Table A.7 - For 2500 MHz, out of 12 circles where the spectrum has been put to auction, EMD has been kept same for 8 circles but increased by 2x in 4 circles namely Andhra Pradesh, Delhi, Kolkata and Mumbai.</i></p> <p>EMD only enables participation in the auction and will be returned to operator at the end of the auction (on satisfying NIA conditions) and there is no reason of increasing it any further from last auction. In the pre-bid conference also it was mentioned that there is no change from Oct'16 auction. Hence, we request that the EMD per block be maintained at same level in this auction as in last auction. This is critical where the banks are very reluctant to give BGs for telecom sector and such onerous EMD requirements will curtail participation in the auction. Refer Annexure 1 for more details.</p>	<p>No change in NIA</p>

26	<p><u>Annexure J Format for Earnest Money Deposit</u></p> <p>Clause 4: This guarantee will remain in force up to 31st October, 2021, 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>Clause 5: Notwithstanding anything contained above, our liability, under the Guarantee shall be restricted to <Amount in figures>and our Guarantee shall remain in force until nine months from the date hereof. Unless a demand or claim under this Guarantee is made on us in writing within this date i.e. 30th April 2022, all your rights under the Guarantee shall be forfeited and we shall be released and discharged from all liabilities there under.</p> <p>There is inconsistency in the above 2 clauses w.r.t. validity of the EMD. We request DoT to kindly confirm that the EMD will be valid only upto 31st October, 2021 and delete “nine months from the date hereof” in clause 5. Also there is an additional condition that the EMD should be further extendible for a period of 6 months from 31st October, 2021. We request that this condition may also please be removed. We have had several auctions now and the initial period of 8 months from date of start of auction itself is much more than necessary based on past experience. In our opinion a BG validity upto 31st May 2021 is adequate to cover any situation. Earlier the longer periods were so kept because the auctions were longer with many applicants and scarcity of spectrum, which is no longer the case. The last auction in Oct’16 closed in 5 days.</p>	<p>Annexure J has been amended. Please refer to the amendment to NIA.</p>

<p>27</p>	<p>Payment Terms (Clause 6.1 (ii), Page No. 42)</p> <p>Clause 6.1 (ii) states as follows: <i>(ii) There shall be a moratorium of 2 years for payment of balance amount of one-time charges for the spectrum, which shall be recovered in 16 equal annual instalments.</i></p> <p>Clause 6.1 (i) states as per below:</p> <p><i>.....For spectrum becoming available at a later date, which will be assigned beyond one month of the close of this auction, the component of the 25%/50% upfront payment payable at the time of auction completion shall be 10% of the bid amount for sub-1 GHz bands, and 20% of the bid amount for other bands; and the balance component of upfront payment (total of which is 25% for sub-1 GHz and 50% for other bands) shall be made one month prior to the 'Effective Date'.</i></p> <p>DoT is requested to clarify that the moratorium of two years will be calculated from the date when the balance component of upfront payment is made i.e. one month prior to the Effective date in case of spectrum being assigned beyond one month of the close of this auction</p>	<p>No change in NIA.</p> <p>The 1st annual instalment of the balance amount shall become due on the third anniversary of the scheduled date of first upfront payment.</p>
<p>28</p>	<p><u>Payment Terms – Clause 6 .1 b states as follows</u></p> <p><i>b) An upfront payment of 50% in the case of 1800 MHz, 2100 MHz, 2300 MHz, & 2500 MHz bands, and 25% in case of 700 MHz, 800 MHz and 900 MHz bands of the final bid amount</i></p>	<p>NIA is self explanatory.</p> <p>The 1st annual instalment of the balance amount shall become due on the third anniversary of the scheduled date of first upfront payment.</p>

shall be made within ten (10) calendar days of issue of Demand Notice by WPF Wing of DoT. For spectrum becoming available at a later date, which will be assigned beyond one month of the close of this auction, the component of the 25%/50% upfront payment payable at the time of auction completion shall be 10% of the bid amount for sub-1 GHz bands, and 20% of the bid amount for other bands; and the balance component of upfront payment (total of which is 25% for sub-1 GHz and 50% for other bands) shall be made one month prior to the 'Effective Date'.

As mentioned in point 2 above, in those circle where expiring spectrum has been put to auction, the effective date for the entire spectrum put to auction in 800, 900 and 1800 MHz band for the successful bidders, should be as per their exercised choice namely immediately after auction or post expiry of the spectrum in the specific band. Accordingly, payment trigger would be basis the choice exercised. For operators who seek allocation post expiry of renewal spectrum, they should pay only 10%/20% in these circles and frequency band as upfront payment and balance 15% / 30% one month prior to 'effective date'.

This is very critical in case of operator/s which have spectrum coming up for renewal, as they already have spectrum upto the date of expiry of existing spectrum and to that extent they do not need the spectrum before that date. Hence, to the extent of lower of the quantum of expiring spectrum or actual spectrum won in the auction (hereinafter referred to as the renewal spectrum), the effective date of renewal spectrum should be the date following the expiry of the existing spectrum (as already mentioned in point 2 above). It is logical then that the annual deferred payment instalment should also be paid on anniversary of the effective date with interest being

	<p>applied from the effective date. The 10% (for 900 MHz) or 20% payment (for 1800 MHz) in Mar'21 for such renewal spectrum is only a payment to secure the spectrum, but it has no economic value for the operator till the effective date post the expiry of renewal spectrum and any earlier effective date just duplicates the cost for the operator for the overlapping period.</p>	
29	<p>Payment Terms (Clause 6.1, Page no. 42)</p> <p>As per clause 6.1, the illustrations indicate interest rate of 7.3 % while the bidder opts for deferred payment.</p> <p>DoT is requested to kindly confirm that the interest rate applicable on deferred payment is 7.3%.</p>	<p>7.3% is the applicable interest rate for annual deferred payments.</p>
30	<p>Upfront Payment (Clause 6.1 (b) (i), Page 42)</p> <p>As per Clause 6.1 a (i): <i>(i) An upfront payment of 50% in the case of 1800 MHz, 2100 MHz, 2300 MHz, & 2500 MHz bands, and 25% in case of 700 MHz, 800 MHz and 900 MHz bands of the final bid amount shall be made within ten (10) calendar days of issue of Demand Notice by WPF Wing of DoT.</i></p> <p>It's an acknowledged fact that considering the stressed financial condition of the TSPs, the number of installments were increased from 10 to 16 even for the prior auctions.</p> <p>Similar measure is also required in respect of Upfront payment wherein the said requirement may be reduced altogether and same percentage of upfront payment be sought in respect of</p>	<p>No change in NIA.</p>

	<p>both sub-GHz bands and other bands.</p> <p>DoT is requested to kindly confirm the reduction in Upfront Payments and that same percentage of upfront payment will be sought in respect of both sub-GHz bands and other bands</p>	
31	<p>Financial Bank Guarantee (Clause 6.1 (b) (vii), Page 44)</p> <p>As per Clause 6.1 a (vii):</p> <p><i>(vii) Along with the upfront payment, the successful bidder will have to submit an FBG equal to the annual instalment which shall be valid for three (3) years to the WPF Wing of DoT. The format for the FBG is at Annexure K of Section 12.11.</i></p> <p>It has been witnessed that banks are unwilling to provide FBG of more than 1 year.</p> <p>DoT is requested to confirm that the bidder will have the option of providing FBG with validity of 1 year that should be renewed each year.</p>	<p>Along with the upfront payment, the successful bidder will have to submit an unconditional FBG equal to the annual instalment to the WPF Wing of DoT, which shall be valid for 1 year and to be renewed on annual basis till 3 years (inclusive of the first year), and renewed FBG is to be submitted at least one month prior to the date of expiry of validity of the FBG submitted earlier. In case of non-renewal, the FBG will be encashed and the amount kept as non-interest-bearing deposit with the DoT till such bank guarantee is renewed and first instalment due is paid. Annexure K has been amended.</p> <p>Please refer to the amendment to NIA.</p>
32	<p>Performance Bank Guarantee (Clause 8.1.8, Page 58)</p> <p>As per Clause 8.1.8:</p> <p><i>....The PBG shall be valid for a minimum period of Six years before signing the License Agreement. The validity period of PBG can be further extended by the licensor depending upon the</i></p>	<p>The PBG shall be valid for 1 year and is to be renewed on annual basis for a minimum period of six years (inclusive of the first year), and renewed PBG is to be submitted at least one month prior to the date of expiry of validity of the PBG submitted earlier. In case of non-renewal, the PBG will be encashed and the amount kept as non-interest-bearing deposit with the DoT till such bank guarantee is renewed. Beyond the minimum period of six years, the validity period</p>

	<p><i>requirement for a period not exceeding two years from the due date of expiry of the earlier PBG...</i></p> <p>It has been witnessed that banks are unwilling to provide PBG of more than 1 year.</p> <p>DoT is requested to confirm that the bidder will have the option of providing PBG with validity of 1 year that should be renewed each year.</p>	<p>of PBG can be further extended by the licensor depending upon the requirement for a period not exceeding two years from the due date of expiry of the PBG.</p> <p>Annexure O has been amended.</p> <p>Please refer to the amendment to NIA.</p>
33	<p><u>Other Bank Guarantees</u></p> <p>With the current state of telecom industry, banks are not agreeable to issue BGs for validity longer than one year. Hence, it is requested that wherever the requirement is to secure amounts for period longer than one year, a one-year BG may be allowed, which can be renewed annually. The interests of DoT will be equally protected, as in case of failure to renew the BG, where required, DoT can always have the right to invoke the said BG. This will help the applicants to better participate in the auction.</p>	<p>Please refer to response at Sl. No. 31 and Sl. No 32</p>
34	<p><u>Rollout Obligations</u></p> <p>i) Need to do away with Rollout Obligation for existing Operators</p> <p>This is with reference to the Section 8 of the NIA related to Rollout obligations, which is as follows:</p> <p><i>“The licensee to whom the spectrum is assigned shall have a network rollout obligation as detailed in this section. The</i></p>	<p>NIA is self-explanatory. No change in NIA.</p>

obligation reflects both the need to ensure the efficient use of spectrum and provide a reasonable level of service to a wide cross-section of customers....”

In this regard, we would like to first submit that the clause related to the requirement for fulfilment of Minimum Rollout Obligations was introduced in 1994 /1995 and it has been part of 2001 bids and NIAs of 2010, 2012, 2014, 2015 and 2016.

We submit that it is important that the requirement to have Minimum Rollouts should be done away with for all those licensees who either have had spectrum allocated through the Administrative process or by participation in any auction of 2010/12/13/14/15 and 16 as such operators have either fulfilled their Rollout obligations or are left with very few phases to complete as per the conditions defined the last NIAs. Thus this clause is no longer adding any value to the quality of rollouts for such operators and hence, there is no need to repeat MRO for such operators.

Further, any spectrum now acquired by such operators will be used for capacity and not for coverage, hence corresponding MRO for spectrum under this auction for such existing operators, is meaningless, even if it mentions about credit of MROs done previously.

The complexity also increases with various types of locations being mentioned (SDCA, Rural SDCA, BHQ, towns, DHQs etc.) and with various phases and the corresponding paper work is very complex. It has been seen that on DoT side too there have been lots of clarifications being issued even after 4 years of last NIA.

Thus the said condition/clause should be removed from NIA or should only be applicable to the completely new entrant only i.e. who does not have any spectrum at all in a LSA.

However, In case the above suggestion on removing applicability of Minimum Rollout Obligations to the existing operators is not acceptable to DoT, it should be ensured that the DoT Clarifications vide Letter Number 10-05/2020-AS-IV of Nov 2020 in respect of “Rollout Obligations” are made a part of the NIA 2021 so that there is complete clarity on the treatment to be given to the rollouts carried out by such operators under their previous spectrum allocations – administrative or auctioned. The DoT may kindly note that continuation of the “Minimum Rollout Obligations” clauses for existing operators is only likely to lead to more and more confusion with respect to the paper work required for the various respective bands and the respective phases (DHQs/BHQs/SDCAs, etc.).

ii) Scope of Clause Number 8.1.4. on “Rollout Obligation using any technology in any band

The scope of MRO using “Any technology in any band” as mentioned under Clause 8.1.4 of the NIA (Page 53) should be in the widest sense. That is to say that the rollout in any technology in any band shall suffice even if the spectrum acquired in auctions is in different band and used for different technology.

Further, rollout in any band can be shown /offered, if required, and for this purpose two or more bands can be considered as same band since technology requires use of

	<p>such bands, if available. For example like 900/1800 is considered as same band for 2G, similarly two or more bands in 900 / 1800 / 2100 / 700/ 2300/ 2500 bands wherever used in 4G are to be considered as same band for 4G.</p> <p>Notwithstanding the above, in respect of the above clause regarding “Rollout obligation using any technology in any band”, DoT may kindly clarify that the said clause is applicable for all LSAs and for all locations including DHQs/BHQs/SDCAs, etc. as has been clarified in the Nov 2020 clarification.</p> <p>iii) Submission of Performance Bank Guarantees towards Rollout Obligations:</p> <p>Currently operators who have already fulfilled their “Minimum Rollout Obligations” under previous NIA Conditions including re-validation of rollouts under the administratively allotted spectrum are not required to do any more rollouts. Therefore, in keeping with the same, the Performance Bank Guarantees should also not be required to be submitted by them. This point regarding no requirement to submit PBGs in case of operators who have already fulfilled their Minimum Rollout Obligations needs to be clarified in the NIA itself as otherwise it shall lead to submission of additional PBGs or the non-return of existing PBGs when the physical rollouts and the respective compliances are already complete from a MRO perspective.</p>	
35	<p>Rollout Obligations (Clause 8.1, Page 49)</p> <p>The clause mentions that for the purpose of rollout 1800/ 900</p>	<p>NIA is self-explanatory. No change in NIA.</p>

	<p>MHz band will be treated as same band. The said relaxation was due to the fact that 2G was deployed in 1800/ 900 MHz bands. Now with 700/ 800/ 900/ 1800/ 2100/ 2300/ 2500 MHz being used for deployment of LTE technology, we believe that there should be similar rollout obligations applicable in each band and for the purpose of rollout 700/ 800/ 900/ 1800/ 2100/ 2300/ 2500 MHz should be considered as one band.</p> <p>DoT is requested to confirm that the spectrum in 700/ 800/ 900/ 1800/ 2100/ 2300/ 2500 MHz will be considered as one band for the purpose of rollout obligations</p>	
<p>36</p>	<p>Rural SDCA (Clause 8.1.5, Page 53)</p> <p>Clause 8.1.5 states as per below: <i>The rural SDCA shall be as notified by the Department of Telecom</i> DoT is requested to kindly confirm the date by which the Rural SDCAs will be notified</p>	<p>The list of rural SDCAs is available on DoT website.</p>
<p>37</p>	<p>Frequency reconfiguration (Clause 9.1.3, page 61,62) Clause 9.1.3 (ii) of NIA 2021 states as per below: <i>“Notwithstanding anything contained above, for making contiguous spectrum acquired in the auction held in March 2013, the action by the Government in this regard will be subject to verdict in respect of the ongoing court case (Civil Appeal 4956-4963 of 2016) at the Hon’ble Supreme Court”</i></p>	<p>NIA is self-explanatory. No change in NIA.</p>

	<p>The implication of the above is that in case a bidder wins 5 MHz of spectrum in 800 MHz band and adequate spectrum is available for a contiguous block, however, the winning bidder may end up getting non-contiguous spectrum which cannot be used by it for deployment of any network. In such a circumstance, the investment in said spectrum will be futile.</p> <p>Contiguity of such spectrum can only be ascertained when the spectrum assigned to erstwhile MTS is shifted.</p> <p>DoT is therefore requested to confirm that in case an operator is assigned at least 5 MHz of spectrum in 800 MHz band, the same will be assigned contiguous block of 5 MHz even if it requires shifting of spectrum assigned to erstwhile MTS.</p>	
38	<p>Bidding during Clock Rounds (Clause 9.8.3, Page 74) <i>As per Clause 9.8.3:</i></p> <p>Spectrum Cap as applicable based on the Overall Cap and for each of the bands respectively</p> <p>We believe that “for each of the bands” has been mentioned mistakenly as there is no cap specified for each of the bands. We believe that the same should be “sub-GHz cap”</p> <p>DoT is requested to kindly confirm the same.</p>	<p>Spectrum Cap as applicable based on the Overall Cap and sub-1 GHz cap.</p> <p>Please refer to the amendment to NIA.</p>
39	<p><u>Interference from 800 MHz to 900 MHz</u></p> <p>The DoT is aware that since the uplink and down link of the 800 MHz band and the 900 MHz band are reversed, Licensees</p>	<p>No change in NIA.</p>

	<p>in 900 MHz band face severe interference from the operations of Licensees of 800 MHz band. The suggested solutions in this regard is that the last carrier closest to 900 MHz band (viz. 887.205 – 888.435 MHz) be kept as a Guard band between 800 MHz and 900 MHz spectrum bands to reduce interference. Request the DoT to kindly frame and notify an appropriate policy in this regard, before the conduct of the auction.</p>	
40	<p>Interference Issue: The issue of heavy interference in auction assigned spectrum affects the quality of service of the deployed network and impacts the desired expansion / roll out plans leading to a considerable and continuous drain on the operational cost and loss of potential revenues.</p> <p>In view of the above we request DoT to ensure that the spectrum being put to auction in all bands is free from interference and suitable for rolling out a good quality communication networks.</p>	No change in NIA.
41	<p><u>Effective date in Clause 2.5 is defined as</u></p> <p><i>Effective Date' shall be:</i></p> <p><i>The date of frequency assignment as mentioned in the Frequency Assignment Letter specifying the frequencies to the successful bidder. It is clarified that the period of twenty (20) years shall commence from 31st day of receipt of upfront payment or the date of frequency assignment as mentioned in the Frequency Assignment Letter whichever is earlier, except in cases where frequency spots will become available the next day after expiry of current license as indicated in Annexure F of</i></p>	No change in NIA.

Section 12.6 of this NIA

The spectrum in 800, 900 & 1800 MHz bands being released due to expiry of licenses as indicated in Annexure F, the next day of the date of expiry of the existing licenses in respective LSAs shall be the “Effective Date”

Based on above, in many circles, there could be a scenario where the operator is bidding to renew the spectrum which is getting expired as late as October 2021, however basis the frequency assignment as per the current NIA terms, the spectrum allocation may happen immediately post auction. It is also possible that a successful bidder with no spectrum to be renewed in the specific circle gets spectrum allocation from the spectrum block which is available post expiry of the spectrum validity for another licensee. To avoid any confusion and issues post spectrum auction, in the circle where expiring spectrum has been put to auction (the renewal bands of 800, 900, 1800 MHz) all the successful bidders should be given the option to either seek immediate allocation of full/partial spectrum or seek allocation post expiry of spectrum held which is coming up for renewal. The choice they exercise individually would determine their Effective date for the relevant circle and frequency band.

However, in case the above is not workable, the DoT should at the minimum ensure that in case of operator/s with expiring spectrum, upto the quantum of expiring spectrum or spectrum won in the auction whichever is lower, effective date of the spectrum allocation should be post expiry of the existing spectrum for such operator/s. An immediate allocation of spectrum in such case is of no use to such operator till the expiry date of the existing spectrum which is coming up for renewal. This will result in lower useful life of spectrum and

	<p>economic loss for the operator.</p> <p>DoT is also requested to consider and clarify that spectrum allocation will happen in the manner that there is least disruption in the networks. In case the operator whose spectrum has expired and which spectrum has been put for auction and that operator wins spectrum in same band then same frequencies should be allotted to that operator to ensure smooth continuation and least disruption in services.</p>	
<p>42</p>	<p><u>Price increase</u></p> <p>There are inconsistencies for the price increase considered for various frequencies for the same level of excess demand (Table C1 to C5). We have captured the same in the table below:</p>	<p>No change in NIA.</p>

Excess Demand	Price Increment as a Percentage of previous Clock Round Price		
	700/2100	800	900/1800
Less than Zero	0.00%	0.00%	0.00%
Zero upto 1 MHz	0.50%	0.50%	0.50%
upto 2 MHz	0.50%	1.00%	1.00%
upto 3 MHz	0.50%	1.50%	1.50%
upto 4 MHz	0.50%	2.00%	2.00%
upto 5 MHz	1.00%	2.50%	2.50%
upto 6 MHz	1.00%	3.00%	3.00%
upto 7 MHz	1.00%	3.00%	3.50%
upto 8 MHz	1.00%	3.00%	4.00%
upto 9 MHz	1.00%	3.00%	4.50%
upto 10 MHz	1.50%	3.00%	5.00%

As you can see from above table with the similar amount of excess demand of 5MHz the price increase in case of 700/2100 is only 1% while in case of 800/900/1800 it is 2.5%. There is no rationale for why the price increase % should be so different for 700/2100 vs 800/900/ 1800 MHz band. We request DoT to address the above anomalies and provide a level playing field for all spectrum bands or else the price increase in case of 800/900/1800 will be much faster to the detriment of the bidders opting for those bands.

43

GST on Spectrum Payments

While this subject is not directly covered in the NIA, but it is important and we request DoT to consider and address this at the earliest. Currently the telecom operators have very large amounts blocked in unutilized GST input credit, which has not been utilized because of the costs and capex being much in excess of the revenue. These blockages continue to increase. In this situation payment of GST on spectrum for

No change in NIA.

	<p>which input credit could be claimed in the normal course by the operator without adding to its cost is no longer the case. In the current situation, GST amount will increase the cost of spectrum purchase by 18%, as credit cannot be availed because of huge existing unutilized credit. Hence, we request that the GST on spectrum for this auction be waived so as to enable better participation in the auction</p>	
<p>44</p>	<p><u>Net-worth Requirements</u></p> <p>As per clause 3.2 (vi). Page 20 of NIA, “The net worth requirement is applicable in case of ‘New Entrants’ and the same is not applicable in case of existing licensees. However, the net-worth requirement will be applicable on new entrants only in those LSAs where they do not hold any spectrum in any of the bands (i.e. any of the 800/900/1800/2100/2300/2500 MHz bands)”</p> <p>However in the application format on page 146 - 147, under the sub-heading Note, it is mentioned under point 3 that <i>“Details of Net worth, both as on the date of application and also as on the date of last audited financial statement need to be providedit further states that the details of Net worth and Paid-Up capital can be given “As on 31-12-2020” in place of “As on Date..”</i></p> <p>i) Requirement for Net worth details in the filled application format</p> <p>In this regard, we would like to request DoT to clarify that such net worth requirement as mentioned in application format against point 3/4 on page 146/147 and against Para 14 on page 150 is required in case of only those bidders who</p>	<p>(i) No change in NIA.</p> <p>(ii) The details of Net worth and Paid-Up capital can be given “As on 31-12-2020” in place of “As on Date”. If the results for the quarter ending 31-12-2020 are not declared, the listed entities can submit the Net worth and Paid-Up capital details as of last published results (30-09-2020).</p> <p>Please refer to the amendment to NIA.</p>

<p>do not hold any spectrum in any of the bands (i.e. any of the 800/900/1800/2100/2300/2500 MHz bands) in any LSA. In all other cases this is to be marked as “Not Applicable” in the filled application format.</p> <p>ii) Clarification on date of Net worth Certificate</p> <p>In cases where Net worth Certificate is to be given, we would like to mention that it will not be possible for the listed entities to share their Net worth details as of 31-12-2020, if their results for the quarter ending 31-12-2020 are not declared. The listed entities can submit the network and paid capital details as of last audited financials (31-03-2020) and last published results (30-09-2020). Request DoT to confirm the same.</p>	
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Annexure 1

- **EMD for 1800 MHz – EMD increased only for Delhi and Mumbai**

Service area	NIA 2021 EMD / MHz	NIA 2016 EMD / MHz
Andhra Pradesh	37.5	37.5
Assam	5	5
Bihar	15	15
Delhi	75	37.5
Gujarat	37.5	37.5
Haryana	5	5
Himachal Pradesh	2.5	2.5
Jammu & Kashmir	2.5	2.5
Karnataka	15	37.5
Kerala	15	15
Kolkata	15	15
Madhya Pradesh	15	15
Maharashtra	37.5	37.5
Mumbai	75	37.5
North East	2.5	2.5
Orissa	2.5	5
Punjab	15	15
Rajasthan	15	15
Tamil Nadu	15	15
Uttar Pradesh (East)	15	15

Uttar Pradesh (West)	15	15
West Bengal	5	5

- **EMD for 2500 MHz - EMD increased for Andhra Pradesh, Delhi, Kolkata and Mumbai**

Service area	NIA 2021 EMD / MHz	NIA 2016 EMD / MHz
Andhra Pradesh	12	6
Bihar	0.75	0.75
Delhi	24	12
Gujarat	6	6
Himachal Pradesh	0.1	0.1
Jammu & Kashmir	0.1	0.1
Karnataka	12	12
Kolkata	6	3
Maharashtra	6	6
Mumbai	24	12
Punjab	3	3
Tamil Nadu	12	12

Annexure – 2

- **Copy of e-mail sent to the Auctioneer during 2016 Auction, as per the reference given by TSP under S.No 17 of the clarifications/queries.**

Dear Sir,

With reference to your mail, our response is as under –

1. Mock Auction conducted on 28th Feb was not at a level to confirm or analyse anything as only one round was completed.
2. Based on our participation in the mock auction during 1st and 02nd Mar, we have been provided only 1 file for round results against 3 files provided during earlier auctions (this requirement has already been submitted to you). Also we did not get any information with respect to closure of auction and the results. Hence, we cannot cc of compliance with auction and NIA for many points, particularly the following –
 - a. Ranking of Bidders
 - b. Provisional winners / allocation of Spectrum Blocks
 - c. Frequency Allocation etc.

Further, analysis can be done only after receipt of detailed results file containing details of bids placed by each bidder, activity levels of each bidder etc., post conclusion of mock auctions. These details have not been shared with us post conclusion of Mock Auctions. Thus, with these limitations, our feedback has its limitations.

3. With the limited information available, we could verify only the following items –
 - a. Price increase form from one round to next
 - b. Eligibility points carried forward for idea based on our activity
 - c. Extension time available with us at the start of any round
4. Given that the mock auctions has several issues with respect to the interface, the mock auction continued for 3 full days, as against 1 day in the previous auction. Hence, we could not test the simulation activity.
5. We had given several feedbacks to improve the interface, but only two of these have been incorporated till now and many other issues still need to be addressed. The ones which are addressed are –
 - a. Headers getting locked in bidding screen – however, still the columns of fixed Header and those in the table are not aligned (this was still not done for the screen for checking bids after submission and also not done for the round results display).
 - b. Colour coding of Yes bid to Green
 - c. Colour coding of –ve Excess demand to Red

We request that the suggestions given by us are implemented for smooth conduct of the auction.

Regards,