

DoT panel to send back all Trai spectrum recommendations for review.

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NEW DELHI: The Digital Communications Commission (DCC) will ask the telecom regulator to reconsider all its recommendations on spectrum auctions, including the pricing and quantum of airwaves that will be put on offer, giving a ray of hope to the industry that the prices may be lowered for what is expected to be India's largest ever airwave sale. The committee, which is the highest decision-making body in the telecom department, also decided that spectrum for 5G trials will be given for one year that will be extendable, for a one-time fee of Rs 5000. This was reported by ET in its May 18 edition. "We will want to have spectrum auctions before the end of the year because it is important to achieve the government's Digital India objectives and the NDCP objectives of bringing broadband to everyone, and proliferation of 5G," telecom secretary Aruna Sundararajan told reporters after a meeting of the DCC on Thursday. The Commission comprises senior officials from NITI Aayog, Department for Promotion of Industry and Internal Trade, Department of Economic Affairs, Ministry of Electronics and IT, besides Department of Telecommunications (DoT). While reviewing its recommendations, the Telecom Regulatory Authority of India (Trai) will be asked to keep in mind realities of intense consolidation, which has led to freeing up of more airwaves, harmonisation and the airwaves coming up for renewal in 2021. Trai will be given a month to give its views. Separately, a senior official said that Trai will also be asked to ensure that there's enough competition. "We will ask them to review the entire architecture of auctions, so they will look at reserve prices, participation, possibility of greater competition, and Digital India and policy objectives". Members of the committee were also of the view that ideally all spectrum that is put up for auction should be sold, thus maximising the contribution from auctions to the exchequer. Historically, some 40% of the spectrum – which was a finite and valuable resource – has been sold, any unsold spectrum would not help the government achieve its objectives. In the last auctions in October 2016, 2354.55 MHz of spectrum, or only 40% of the airwaves put on offer, was sold, netting the government some Rs65,000 crore. Among the bandwidth which went unsold was the valuable 700 Mhz which telcos gave a miss, citing its high base price. In 2018, the telecom regulator recommended the auction of about 8,644 MHz of frequencies across eight signal bands, including 4G airwaves in the 700 Mhz, 800 Mhz, 900 Mhz, 1800 Mhz, 2300 Mhz and 2500 Mhz bands, and a debut for 5G spectrum in the 3.3-3.6 Ghz band, which was estimated at Rs5.6 lakh crore at base price. The base price for 3.5 GHz which can be used for 5G was suggested at Rs 492 crore per Mhz, which India's older telecom companies have said are too high, citing prices in Korea where spectrum was auctioned for Rs131 crore a unit. Vodafone Idea and Bharti Airtel have said the 5G spectrum will find no takers unless the price is lowered but Reliance Jio is believed to have backed the regulator's suggested prices. Trai in the past has stood by its 5G starting prices, saying they were arrived at after intense consultation, including with global experts. The regulator however cut prices for the 700 MHz airwaves by 43% from the last auction, to Rs6,568 crore per MHz. Trai also cut prices for the 800MHz and 900MHz bands by 21% and 51%, respectively. The DCC will also ask Trai to give detailed recommendations on the eligibility criteria, methodology of auctions and the method of payment, across all bands, which were not given during the previous reference. Trai had recommended a five-year lock-in period for allowing spectrum trading, but the committee will ask the regulator to design the auction in a way to encourage maximum participation, thus asking it to review this condition as well. Members of the committee felt that any lower lock-in period would be too restrictive.