

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:3622
ANSWERED ON:10.09.2007
CHANGES IN FINANCIAL AND REGULATORY LEVIES
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether Telecom Regulatory Authority of India (TRAI) recommended major changes in financial and regulatory levies to private telecom operators;
- (b) if so, the details thereof;
- (c) whether TRAI recommended levying entry fee alongwith licence fee; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) to (d) Recently on 29.08.2007, Telecom Regulatory Authority of India (TRAI) has made it's recommendation on "Review of license terms and conditions and capping of number of access providers" which, inter-alia, includes following recommendations:-

any licensee who seeks to get additional spectrum beyond 10 MHz in the existing 2G bands i.e. 800, 900 and 1800 MHz after reaching the specified subscriber numbers shall have to pay a one time spectrum charge as per the table given below on prorata basis for allotment of each MHz or part thereof of spectrum beyond 10 MHz in case of Global System for Mobile (GSM) technology and beyond 5 MHz in case of Code Division Multiple Access (CDMA) technology.

Service Areas	Price (Rs. in million)
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Mumbai, Delhi and Category A	800
Chennai, Kolkata and Category B	400
Category C	150

For example for one MHz allotment in Mumbai, Delhi and Category A service areas, the service provider will have to pay Rs. 160 million as one time spectrum acquisition charge.

The revenue share spectrum charges as given in table below may be adopted:

Spectrum	Current	Proposed
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Upto 2X4.4 MHz	2%	No Change
Upto 2X6.2 MHz/2X5 MHz	3%	No Change
Upto 2X8 MHz	4%	No Change
Upto 2X10 MHz	4%	5.00%
Upto 2X12.5 MHz	5%	6.00%
Upto 2X15 MHz	6%	7.00%
Beyond 2X15 MHz		8.00%

An existing licensee may be permitted to use alternate technology to provide wireless access service subject to payment of an upfront fee which should be, at least, equal to the entry fee for Unified Access Services (UAS) Licence in that service area.