

VTL/Reg/TRAI/1412/4364
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Subject: VTL Response on Consultation Paper on "Valuation and Reserve Price of Spectrum: 2100 MHz Band"

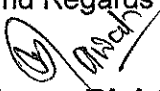
Ref: TRAI Consultation Paper No. 14/2014 dated 2nd December, 2014

Respected Sir:

Videocon Telecommunications Limited welcomes the opportunity to give our comments to TRAI's consultation Paper on "Valuation and Reserve Price of Spectrum: 2100 MHz Band" Please find attached herewith our response on the same.

This is for your information and kind consideration please.

Kind Regards



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Encl.: as above



Videocon Telecommunications Ltd

Response to the TRAI Consultation Paper on “Valuation and Reserve Price of Spectrum: 2100 MHz Band”

CHAPTER-IV: ISSUES FOR CONSULTATION

Q1. In the auction for 2100 MHz spectrum held in 2010, certain roll-out obligations were mandated for the successful bidders. Stakeholders are requested to suggest if any changes are required or whether the same roll-out obligations should be mandated in the forthcoming auction, along with justification.

Ans: We believe that the real/practical issues in the implementation of roll out are the identification of rural SDCA and the boundaries/maps of such SDCA.

Also we would like to submit that SDCA is a concept used in wireline technology and has no relevance in the wireless technology. Hence, roll out obligation should be only for towns (municipal limits) and not linked with SDCA.

The conditions of the Roll out obligation have to be clearly defined and identifiable. Similarly clear Testing procedure has to be supplied well in advance to enable the TSPs to prepare the test report and other related documents without losing any time in clarifications and doubts in this regard.

Q2. Whether a bidder should be allowed to bid for more than one block of spectrum, in case a sufficient quantum of spectrum (more than one block in LSA) is put to auction?

Ans: Yes

Q3. Whether the spectrum caps (of 50% of total spectrum in a band/25% of total spectrum assigned across bands) prescribed in recently held auctions in the 800/900/1800 MHz bands should also be prescribed for the upcoming auctions in the 2100 MHz band?

Yes, the same spectrum caps should be specified for 2100 MHz band also

Q4. In case only one block of 5 MHz of spectrum in 2100 MHz is available in an LSA, should only those TSPs be allowed to participate who do not have 2100 MHz spectrum in that LSA at present?

Ans: We submit that there should be no restriction in participation.

Q5. Should the indexed value of May 2010 auction determined prices of 2100 MHz spectrum be used as one possible valuation for 2100 MHz spectrum in the

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forthcoming auction? If not, why not? And, if yes, what rate should be adopted for the indexation?

Ans: No indexation should be applied for determining the prices of 2100 MHz based on May 2010 auction.

Q6. Should the value of the 2100 MHz spectrum be derived on the basis of the value of the 1800 MHz spectrum using the technical efficiency factor (0.83) as discussed in Chapter III?

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Q7. Should the value of spectrum in the 2100 MHz band be estimated on the basis of the producer surplus model outlined in Chapter III? Please provide your views on the assumptions made. Please support your response with justification, calculations and relevant data along with the results.

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Q8. Should the value of spectrum in the 2100 MHz band be estimated on the basis of the growth in data usage outlined in Chapter III? Please provide your views on the assumptions made. Please support your response with justification, calculations and relevant data along with the results.

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Q9. Would it be appropriate to value the 2100 MHz spectrum as the simple mean of the values arrived from different valuation approaches as discussed in Chapter III? If no, please suggest with justification which single approach should be adopted to value the 2100 MHz spectrum?

Ans: The value of 2100 Mhz should be derived by applying the spectrum technical efficiency factor to the auctioned value of 1800 MHz.

10 What should be the ratio adopted between the reserve price for the auction and the valuation of the spectrum of 2100 MHz band?

Ans: Reserve price may be kept as 80% of the value of the spectrum.