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November 19, 2009

Mr. J.S. Sharma
Chairman - TRAI
Mahanagar Doorsanchar Bhawan,
Jawaharlal Nehru Marg,
New Delhi 110 002

Dear Sir,

Please refer to TRAI Consultation Paper no. 6/2009 dated 16.10.2009 on Overall Spectrum Management and Review of License Terms and Conditions.

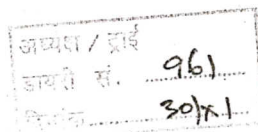
The recent controversies related to 2G spectrum allocation and the potential revenue loss to the Government has put the nation in bad light before its public and at international forums. This consultation paper gives an excellent opportunity to raise a relevant question before us that as a nation, whether we should continue with a spectrum policy, which is biased, most abused and most uneconomic vis-à-vis a policy, which shall determine the true economic value of spectrum.

For any scarce resource, including radio spectrum, the primary economic objective is to maximize the net benefits to society that can be generated from that resource such that there is an efficient distribution of resources resulting in maximum benefits to society. Prices are used as an important mechanism to ensure the spectrum resources are used efficiently by users.

Auctions have the advantage of awarding spectrum to those, who value them most highly, while simultaneously generating revenues. Thus, there is an imperative need for the Government to adopt the technique of auctions that has by now well established in several countries is much better than the current spectrum allocation criterion that tends to yield grossly uneconomic prices and yet gives rise to endless demands and complaints from the users.

The Government of India is expecting more than Rs.25,000 crores from 3G auction. We can imagine how this amount will help the Government to improve the lives of million of people. It also gives an opportunity to us that we should now work towards 2G spectrum reform and adopts an auction policy for 2G as well.

website : <http://parliamentofindia.nic.in>



The Economic Survey of 2008-09 also recommends the same approach. It states that "Spectrum should be auctioned and be freely tradable among companies having a telecom licence. The auction price can be in the form of a fixed price or charge per unit of bandwidth per annum or a combination of the two"

Even, the Hon'ble Prime Minister of India talks about the auction policy as well.

In light of the above, I request that henceforth, all future 2G spectrum should be auctioned and the nation should not lose an opportunity to realize the true economic value of this scarce resource, due to the continuation of current spectrum policy either for the entire industry or for selected telecom players.

My above submission may be considered as my response to your consultation paper.

Thanking you,

Yours Sincerely,



Viplove Thakur