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**भारत संचार निगम लिमिटेड**  
(भारत सरकार का उपक्रम)  
**BHARAT SANCHAR NIGAM LIMITED**  
(A Govt. of India Enterprise)  
**BSNL 3G ))) BSNL LIVE**  
Faster than your thoughts 2010

**No. 1-4/2012-RegIn**

**Dated: the 15<sup>th</sup> Feb., 2012.**

To

The Secretary,  
Telecom Regulatory Authority of India,  
MTNL Telephone Exchange Building,  
Jawahar Lal Nehru Marg, (Minto Road),  
**New Delhi-110002.**

**[Kind Atten: Shri Sudhir Gupta, Principal Advisor(MS)]**

**SUB:- Pre-Consultation Paper on “Allocation of Spectrum in 2G in 22 Service Areas by auction.**

Sir,

Kindly refer to the above mentioned Pre-Consultation Paper issued by TRAI on 3<sup>rd</sup> February, 2012. BSNL’s comments on the overall issue are as follows:-

That simultaneous issue of licenses to multiple players in 2008 has resulted in increased competition in the Indian mobile market. At the end of May, 2011, on an average, 10 players were operational in each of the 22 Licensed Service Areas (LSAs) of the country, with Mumbai and Bihar having a staggering 12 players and a further eight circles having 11 players each and whereas only a handful of countries around the world have more than four players.

This scenario of hyper-competition has unfavorably impacted the operating parameters of the industry. The exponential increase of mobile connections has been accompanied by decreasing average revenue per minute, stagnating minutes of use per subscriber, and declining average revenue per user. Mobile services revenues have also started to stagnate and have not kept pace with the growth of

mobile connections. Further, increasing complexity of operations due to rural roll-outs has exerted pressure on operating expenses. Thus, operators are being hit at both revenue and cost levels, adversely impacting their margins significantly.

BSNL further observes and suggests:-

- a) GSM 2G services has already been rolled out by service providers. The allotted spectrum is being used in the network. The service providers migrating to unified access services license may continue to provide wireless services in already allocated spectrum.

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- b) The auction of spectrum may be done for spare 2G spectrum only.
- c) Amount of spectrum service area wise may be fixed.
- d) The induction of additional mobile service providers in various service areas may be considered if there is adequate availability of spectrum.
- e) Spectrum beyond contractual quantity i.e. 2X6.2 MHz may be assigned in following tranches:-
  - i) For all the service areas, the additional spectrum may be assigned in a single tranche of 2 X1.8 MHz making a total of 2X8 MHz.
  - ii) For the metro service areas of Delhi and Mumbai, the additional spectrum may be assigned in two tranches; the first tranche of 2X1.8 MHz, the making a total of 2X8 MHz and then the second tranche of 2X2 MHz making a total of 2X10 MHz.
- f) Sharing/leasing/trading of spectrum may be allowed.

Therefore, in view of above, for the sustainability of the industry, in the larger interest, TRAI may consolidate the number of players operating in LSA to the level of other developing countries in the world.

**( Raj Kumar )**  
**AGM(RegIn-II)**

