



15th February 2012

Mr. Sudhir Gupta
Pr. Advisor (MS)
Telecom Regulatory Authority of India,
Mahanagar Door Sanchar Bhawan,
Jawaharlal Nehru Marg,
New Delhi

Sub: Tata Teleservices Response to TRAI Pre-Consultation on "Allocation of Spectrum in 2G band in 22 Service Areas by auction" dated 3rd February 2012.

Dear Sir,

Without prejudice to our rights and contention, Tata Teleservices would like to submit the following:

1. We support the auction as suggested by the Hon'ble Supreme Court. Auction rules must be fair and give equal opportunity to all.
2. We support paying for spectrum which we believe is a scarce national resource, but on a fair and equitable basis.
3. Spectrum in 800 MHz, 900 MHz and 1800 MHz must be auctioned separately for a true and fair determination of their respective market values.
4. Hoarding should be prevented – spectrum caps must be applied. Suggested limits are 8 MHz/ 10 MHz for GSM as well as CDMA in circles and metros respectively.
5. Reserve price must be fair and must incentivize a market price discovery.
6. Auction should be used to remove distortions created in the past since 2001.
7. The auction model construct should not be the same as used in the 3G and BWA auctions. Inherent features of the model such as activity levels and simultaneous closing of all circles led to artificially higher prices than would

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have been bid in a normal auction. The construct led to overall revenue maximization from the auction but in the process distorted market prices that would otherwise have been paid.

8. The pending spectrum for start-up across a circle or in specific districts within a circle for dual technology where it was not allocated earlier should be allocated immediately as held by Hon'ble TDSAT.
9. The concept of parent bidder should be there in the auction like 3G i.e. Parent bidder means a single entity nominated by associated licensees corresponding to a single common parent, which shall be authorized to bid on their behalf. Licences held by that group should be considered to decide eligibility in terms common substantial equity restriction.
10. Spectrum sharing should be allowed on the auctioned spectrum.
11. Unified License needs to be introduced before or simultaneously with auction.

Thanking You,
Yours Sincerely,

Anand Dalal

**Senior Vice President – Corporate Regulatory Affairs
for Tata Teleservices Limited**

And

**Authorized Signatory
for Tata Teleservices (Maharashtra) Limited**

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