

Information note to the Press (Press Release No. 98/2017)

For Immediate Release

Telecom Regulatory Authority of India

TRAI response on “Issues relating to Spectrum Cap”

New Delhi, 21st November 2017 – The Telecom Regulatory Authority of India (TRAI) has today finalized its response on **“Issues relating to Spectrum Cap”**.

The Government recently constituted an Inter-Ministerial Group (IMG) on “Stress in balance sheet in Select Sectors”. The IMG, among others, reviewed the spectrum cap applicable for Telecom Service Providers (TSPs). IMG, in its report, stated that the issue of spectrum cap merits detailed examination and variety inputs from sectoral regulators. In light of IMG report, DoT, through its letter dated 29th September 2017, requested TRAI to provide its views on spectrum cap.

2. As per existing provisions, there is a cap of 25% of the total spectrum assigned in 700/800/900/1800/2100/2300/2500 MHz bands and 50% within a given band in each of the service area.

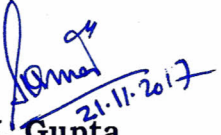
3. The Authority sought comments of the telecom service providers and *inter-alia*, took note of the following:

- Overall spectrum cap of 25% was imposed at a time when there were 6-10 TSPs in a LSA. After the ongoing consolidation in the sector, the number of TSPs in a LSA may be much less.
- The spectrum being assigned through auction is a liberalized spectrum. At present, more than 80% of the spectrum held by various service providers is liberalized spectrum wherein they can use any technology of their choice in any band or using multiple bands.
- As LTE device eco system is evolving in each of the spectrum band, there is no real need to put spectrum cap in each spectrum band. In fact, asking a TSP to acquire spectrum in different band to deploy the same technology increase the cost of network with no real gains.
- Sub-1 GHz bands are perceived as the most optimal bands to ensure availability of wireless broadband services over large areas



with low population density. Therefore, spectrum in sub-1 GHz range viz. 700 MHz, 800 MHz and 900 MHz should be treated separately and special provisions have to be made to safeguard against creation of monopoly.

4. In its response to DoT, the Authority expressed the following views:
- (i) The overall spectrum cap should be revised from the current limit of 25% to 35%.
 - (ii) The current intra-band cap should be removed. Instead, there should be a cap of 50% on the combined spectrum holding in the sub-1 GHz bands (700 MHz, 800 MHz and 900 MHz bands).
5. For any clarification / information Shri S.T. Abbas, Advisor (Network, Spectrum and Licensing), TRAI may be contacted at Tel. No.+91-11-23210481 or email advmn@traigov.in.


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Secretary, TRAI
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