

Information note to the Press (Press Release No. 58/2020)

For Immediate Release

Telecom Regulatory Authority of India

TRAI releases recommendations on 'Methodology of applying Spectrum Usage Charges (SUC) under the weighted average method of SUC assessment, in cases of Spectrum Sharing'

New Delhi, 17th August 2020 – The Telecom Regulatory Authority of India (TRAI) has today released recommendations on '**Methodology of applying Spectrum Usage Charges (SUC) under the weighted average method of SUC assessment, in cases of Spectrum Sharing**'.

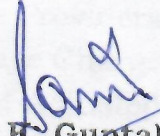
2. Department of Telecommunications (DoT) through its Letter No. 1000/01/2020-WR dated 15th January 2020, inter alia, informed that the existing guidelines for Sharing of Access Spectrum by Access Service Providers issued by DoT on 24th September 2015 provide that the Spectrum Usage Charge (SUC) rate of each of the licensees post sharing increases by 0.5% of Adjusted Gross Revenue (AGR). DoT also informed that it has received representations requesting that the incremental SUC rate of 0.5% post sharing should be applied only to the particular spectrum band which has been allowed to be shared between two licensees, and not on the entire spectrum held by the licensees; since sharing is permitted in a particular band. In this background, DoT requested TRAI to furnish its recommendations on (i) whether the incremental 0.5% in SUC rate in cases of sharing of spectrum should be applied only on the specific band in which sharing is taking place; or on the overall Weighted Average Rate of SUC, which has been derived from all bands and (ii) any other recommendations deemed fit for the purpose, under the TRAI Act, 1997, as amended.

3. In this regard, a Consultation Paper on "Methodology of applying Spectrum Usage Charges (SUC) under the weighted average method of SUC assessment, in cases of Spectrum Sharing" was released on 22nd April 2020 providing the background information and seeking inputs of the stakeholders. Comments from nine stakeholders were received. An Open House Discussion (OHD) was conducted through video conference on 9th July 2020.

4. Based on the comments/inputs received from the stakeholders and on its own analysis, TRAI has finalized its Recommendations on '**Methodology of applying Spectrum Usage Charges (SUC) under the weighted average method of SUC assessment, in cases of Spectrum Sharing**'. The salient features of the Recommendations are:

- (i) It is clarified that as per the existing spectrum-sharing guidelines, an increment of 0.5% on SUC rate should apply on the spectrum holding in specific band in which sharing is taking place, and not on the entire spectrum holding (all bands) of the Licensee.
- (ii) To provide flexibility to the TSPs to manage their spectrum on need and commercial basis, suitable exit clause for intimation of termination of an existing spectrum-sharing arrangement by the involved TSPs should be included in the spectrum sharing guidelines.

5. The recommendations have been placed on TRAI's website www.traigov.in. For clarification/ information, if any, Shri S. T. Abbas, Advisor (Network Spectrum & Licensing), TRAI may be contacted at Telephone Number +91-11-23210481 or email at advmn@traigov.in.


(S.R. Gupta)
Secretary, TRAI