

Information note to the Press (Press Release No.3/2014)

For Immediate release

Telecom Regulatory Authority of India

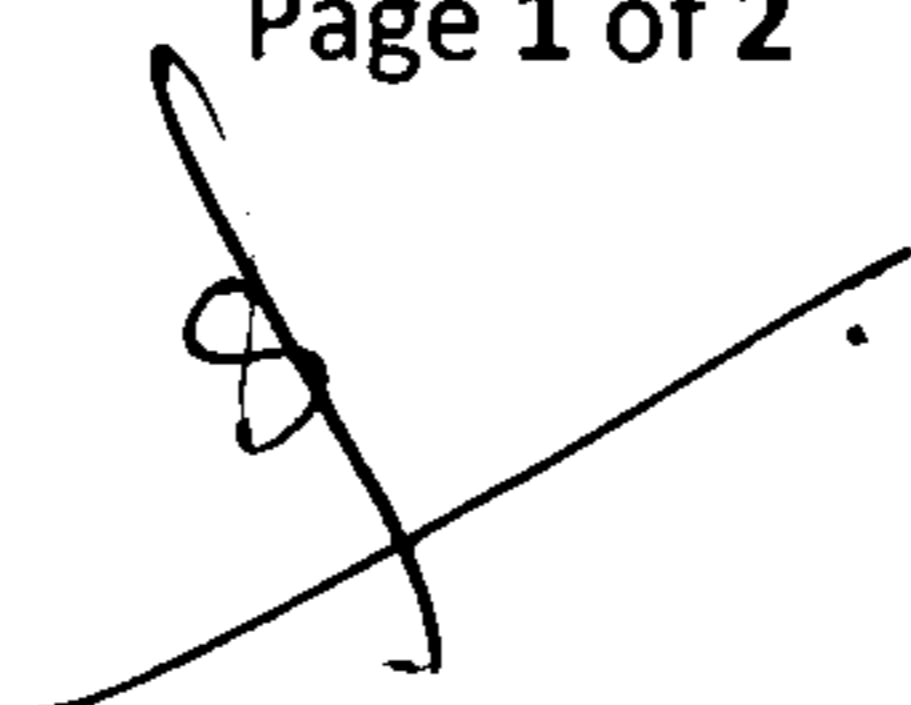
TRAI Releases Recommendations on 'Working Guidelines for Spectrum Trading'

New Delhi, 28th January, 2014- The Telecom Regulatory Authority of India (TRAI) has formulated its recommendations on the '**Working Guidelines for Spectrum Trading**'.

The Authority in its recommendations on 'Valuation and Reserve price of Spectrum' dated 9th September 2013 had recommended that spectrum trading should be permitted in the country. In its reference dated 11th October 2013, the DoT conveyed its in-principle acceptance of Authority's recommendation to permit spectrum trading in the country.

Now, the Authority has finalized its recommendations on 'Working Guidelines on Spectrum Trading'. The salient features of the recommendations are given below:

- Under spectrum trading, only outright transfer of spectrum is permitted, i.e. the ownership of the usage right is transferred to the buyer. Spectrum leasing is not permitted at this point of time.
- Spectrum trading will not alter the original validity period of spectrum assignment.
- For the present, Spectrum Trading shall be permitted only on a pan-LSA (Licensed Service Area) basis i.e. spectrum cannot be traded for a part of the LSA.
- The seller and the buyer shall be required to inform the Licensor regarding the spectrum trade, 6 weeks prior to the effective date of trade. However, no permission will be required from the Licensor/Government for Spectrum Trading.
- All spectrum bands earmarked for Access Services by the Licensor will be treated as tradable spectrum bands. Currently spectrum in 800MHz, 900MHz,

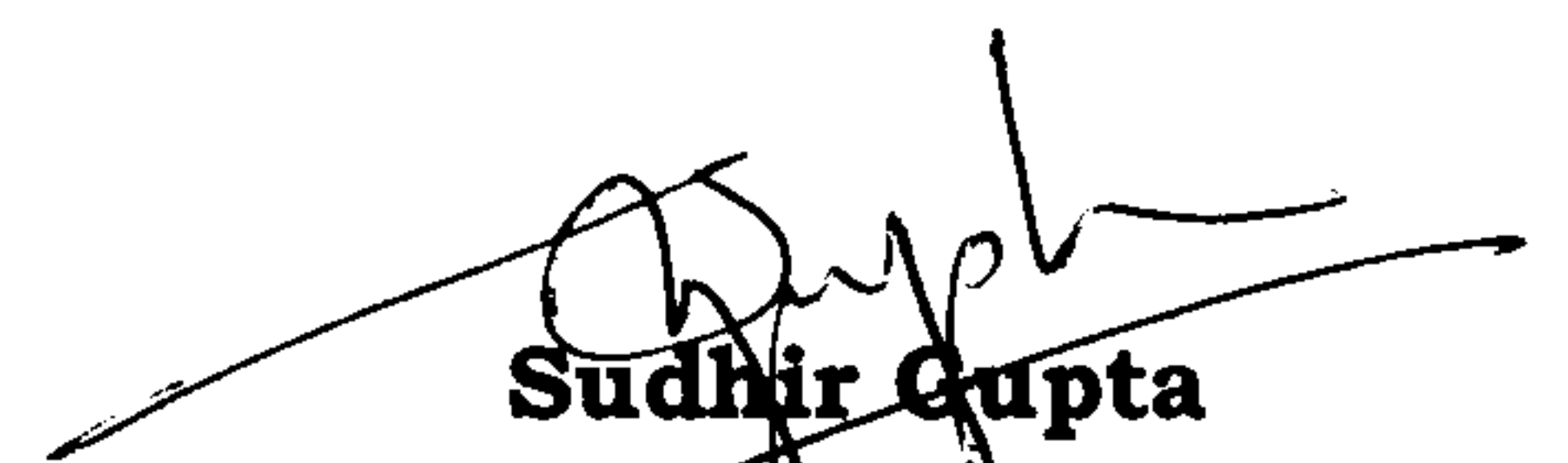


1800MHz, 2100MHz, 2300MHz and 2500MHz spectrum bands have been allocated for Access Services.

- Only CMTS/UASL/UL (AS)/UL licensees shall be eligible to participate in the spectrum trading. The entire spectrum held by the licensee in a particular spectrum band within an LSA should be tradable i.e. it has either been assigned through an auction in the year 2010 or afterwards, or on which the TSP has already paid the prescribed market value (as decided by the Government from time to time) to the Government.
- A TSP will not be permitted to trade any spectrum in the spectrum band in which it has acquired any spectrum through trading (or auction) for a period of 2 years from the effective date of transfer of spectrum (or effective date of assignment), i.e. TSP is required to hold spectrum for at least two years from the date it acquires the spectrum.

These recommendations have been placed on TRAI's website www.trai.gov.in

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