

BSNL, MTNL ready to surrender part of 2G spectrum

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Cash-strapped telecom firms BSNL and MTNL have proposed to surrender part of their 2G spectrum to cut the load of one-time spectrum fee levied on them.

"BSNL has proposed to surrender part of GSM spectrum in certain cities of few circles and 1.25 Mhz of CDMA spectrum in Kerala circle," a government source told PTI.

Both the loss-making public sector units will have to jointly pay Rs 10,117.57 crore if they were to retain the telecom airwaves beyond a threshold.

In this, BSNL will have to pay Rs 6,911.86 crore which includes Rs 5,886.81 crore for spectrum from January 1, 2013 and Rs 1,025.05 crore in dues for holding spectrum between July 1, 2008 to December 31, 2012.

MTNL will have to pay Rs 3,205.71 crore which includes prospective charge of Rs 2,603.08 crore and retrospective charge of Rs 602.63 crore, as per present spectrum holding.

Government sources added that the Department of Telecommunications will approach Cabinet for its nod on financial support for bearing one-time spectrum fee levied on both the PSUs and refund about Rs 11,258.48 crore BWA (Broadband Wireless Access) spectrum amount allocated to them.

BWA spectrum can be used for 4G services.

Though quantum of spectrum proposed to be surrendered by both PSUs could not be ascertained but sources said that prospective charges levied on PSUs will be reduced 90 per cent to Rs 893 crore from Rs 8,489.89 crore.

"BSNL and MTNL were asked to assess their actual requirements of spectrum. The details of the excess spectrum which is proposed to be surrendered and retained by BSNL and MTNL have been given," a source said.

Earlier, BSNL and MTNL have proposed government to surrender their BWA spectrum and requested for refund.

BSNL has proposed to surrender and requested for refund of BWA spectrum in Karnataka, Tamil Nadu, Kolkata, Andhra Pradesh and Maharashtra amounting to Rs 6,724.51 crore.

MTNL has placed a similar request for Delhi and Mumbai and sought refund of Rs 4,533.97 crore that company paid in 2010.