

BSNL may seek Rs 2,000 crore grant to give up a part of spectrum

By [Kalyan Parbat](#), ET Bureau | 20 Oct, 2014, 05.29AM IST

[Post a Comment](#)

KOLKATA: State-run [Bharat Sanchar Nigam Ltd](#) is considering seeking government grant in return for relinquishing a slice of the premium 900 MHz [spectrum](#) which the telecom regulator wants to free up for the next round of airwave auctions.

A top [BSNL](#) executive told ET that the company is likely to seek a "near Rs 2,000-crore grant from the government to meet additional capex and network re-engineering costs" as a pre-condition to heeding the regulator's call and relinquishing 1.2 MHz of efficient 900 MHz spectrum in some 18 circles (barring Punjab) where its licences expire in 2015-16.

"It's technically possible to provide mobile coverage with five units of 900 MHz spectrum instead of our current 6.2 MHz allocation in each circle. But that would require BSNL to install at least 15,000-odd additional base stations across India and also entail additional investments in core networks to maintain coverage quality with reduced spectrum holdings," the executive said. The Telecom Regulatory Authority of India (Trai) has suggested taking back a portion BSNL's 900 MHz [airwaves](#) to boost spectrum supply before conducting a sale and pre-empt over-bidding.

It has also proposed assigning 1.2 MHz of airwaves to the company in the less efficient 1,800 MHz band in Gujarat, West Bengal and Rajasthan circles where BSNL's spectrum holdings are below 3.8 MHz. In its recent spectrum pricing recommendations, [Trai](#) said BSNL's ability to offer mobile broadband services would not be hurt even if it is left with 5 MHz in the 900 MHz band once it converts such spectrum holdings into "liberalised form".

Another BSNL board member said the telco would dismiss Trai's suggestion if the government is not in a position to fully compensate BSNL for meeting additional capex and network re-engineering costs. A senior official of the Department of Telecommunication (DoT) said the government would shortly "seek BSNL's views", like it did when Trai earlier this year called on the telco to return 50 per cent of its CDMA spectrum in the 800 MHz band.

"We can't simply take away a slice of BSNL's most efficient spectrum without eliciting its views on whether such a move would hurt their pan-India mobile operations and reduce long-term competitiveness vis-a-vis private operators, especially at a time when the government is exploring ways to strengthen the loss-making telco," the DoT official said.

Analysts feel Trai's recommendation is justified as it would free up extra 900 MHz spectrum that can be productively used for 3G services, but remain skeptical on DoT playing ball.

"Trai's recommendation (if accepted by DoT) will doubtlessly create an additional 5 MHz contiguous block in the 900 MHz band and will be very positive for telcos, but we aren't building in a benefit to incumbents, considering that similar past attempts by Trai haven't fructified," said Phillip Capital in a recent note to clients. Brokerage Credit Suisse said, "Taking back 1.2 units in the 900 MHz band from BSNL and adding it to the auctioned spectrum is a positive recommendation but is unlikely to be implemented so soon."



BSNL is considering seeking government grant in return for relinquishing a slice of the premium 900 MHz spectrum which the telecom regulator wants to free up for the next round of airwave auctions.

ET SPECIAL:
[Maharashtra and Haryana](#)
[Assembly Polls 2014](#)

Live Market	News	Portfolio	Mobile	Live TV	Newsletter	Commodities	Speed	QnA	Blogs	Alerts
Other Times Group news sites		Living and entertainment		Hot on the Web		Services				
Times of India Mumbai Mirror		Timescity iDiva Bollywood Zoom Healthmeup Luxpresso		Daily Horoscope Weather in Delhi Live Cricket Score Horoscope		Book print ads Online shopping Free SMS Website design CRM Tenders				
Times Now Indiatimes Lifehacker		Technology Gylife Online Songs Travel Guides Hotel Reviews Go Cricket		Where to Stay in Delhi Cricket Scorecard		Matrimonial Ringtones Astrology Jobs Property Buy car Bikes in India Used Cars Online Deals Restaurants in Delhi Movie Show Timings in Mumbai				
Gizmodo Eisamay IGN India NavGujarat Samay		Networking itimes Dating & Chat Email MensXP.com				Remit to India Buy Mobiles Listen Songs				
About us / Advertise with us / Terms of Use and Grievance Redressal Policy / Privacy Policy / Feedback / Sitemap / Code of Ethics						Copyright © 2014 Times Internet Limited. All rights reserved.				