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Not profiteering from spectrum sale: Ravi Shankar Prasad

By Pankaj Doval, TNN | 20 Feb, 2015, 10.58AM IST

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NEW DELHI: Telecom minister [Ravi Shankar Prasad](#) on Thursday said that the government has no intention to "profiteer" from the upcoming spectrum auctions and determined the reserve price for various frequencies in a "reasonable and fair manner".

With just two weeks left to go for the auctions, which are set to help the government raise over Rs 1 lakh crore, the minister shot down arguments given by telecom operators and industry lobbies that the reserve prices cleared by the Union Cabinet are on the higher side and will be a financial drain on the operators. Also, he countered arguments of spectrum shortage and said that the government is selling an "adequate quantity" of the mobile airwaves.

"The government is not here to profiteer, but to auction a national and scarce natural resource in a reasonable and fair manner," Prasad told TOI in his first reaction to the industry's persistent demands for lower reserve prices. "The government wants a fair competition and we have tried to ensure adequate spectrum availability."



Inter-ministerial Telecom Commission had rejected the reserve prices suggested by sectoral regulator Trai for the airwave sale in various frequencies.

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The inter-ministerial Telecom Commission, a key decision-making body on telecom matters, had rejected the reserve prices suggested by sectoral regulator Trai for the airwave sale in various frequencies. The Cabinet-approved per mega Hertz (MHz) pan-India reserve price for the 800-MHz CDMA band is Rs 3,646 crore (Rs 3,104 crore suggested by Trai), for the 900-MHz band Rs 3,980 crore (Rs 3,004 crore by Trai), for the 1,800-MHz band Rs 2,191 crore (Rs 2,138 crore by Trai), and for 2,100-MHz Rs 3,705 crore (Rs 2,720 crore by Trai).

Telecom players as well as industry groupings such as the [Cellular Operators Association of India](#) (COAI) have said that the reserve prices fixed by the government will create "further stress" on the highly-indebted industry and limit the capacity of the companies to invest in network expansion. COAI has accused the government of creating an "artificial shortage" of spectrum to create scarcity and ensure higher prices.

Prasad, however, countered the industry's argument and said that the government is putting up for sale the entire spectrum that could have been made available now. And while the government is putting one block (of 5 MHz) for sale in the 3G band of 2,100 MHz, the [Department of Telecom](#) and the defence ministry have already started the process of creation of a defence band and harmonization and swapping of spectrum to free up another three blocks. While refusing to identify the timing for the next sale, Prasad said the government does intend to have more auctions when spectrum is available. "This isn't the last auction."

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