

All spectrum allocated through auction, but will look into CAG observation, says Prasad

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IN CONTRADICTION to a report by the Comptroller and Auditor General of India (CAG), which said that microwave access spectrum was allocated to a telecom operator in December 2015 on the first-come-first-serve (FCFS) basis in contravention to the recommendations of a committee, while 101 applications for microwave spectrum were pending with the government, Minister of Law & Justice Ravi Shankar Prasad said that every spectrum was allocated through auction during his tenure as telecom minister and that he will look into the anomalies pointed out by the CAG in spectrum allocation of 2015.

"(From) The day I took over, every spectrum was (allocated) on auction. To the best of my knowledge — I will check it up — every spectrum was (allocated) through auction," Prasad said in response to a query by *The Indian Express* at the sidelines of an event organised by National Informatics Centre (NIC) on Thursday. Prasad served as the telecom minister from May 2014 till July 2016. In its report, the CAG did not disclose which telecom operator was allocated the spectrum. The CAG, in its report tabled before Parliament on

Tuesday, noted that the Department of Telecommunications (DoT) had constituted a committee in December 2012 to look into allotment of spectrum in various categories of spectrum users and proposed that spectrum allotment in microwave band to operators should be done through market-related process of auctioning.

"However, in contravention of the committee's recommendations, allocation of MW access spectrum has been done on FCFS basis till date as was being done for 2G licence and access spectrum till 2009," the report said. The Supreme Court in 2012 had struck down the administrative allocation policy in the 2G case, while cancelling 122 telecom licences that were granted spectrum through the process.

"It was also found that allotment of MWA (microwave access) to access service providers was withheld by DoT since June 2010 and allotment against only one applicant was made in December 2015. There were 101 applications pending till November 2016 for allotment of MWA," CAG pointed out. The mobile backhaul, or microwave, is an integral part of the cellular telecom network which connects cell sites, or base transceiver stations, with base station controllers.

In its clarification to the CAG, the telecom department had said that the administrative allocation of microwave spectrum was done on the basis of recommendations by the Telecom Regulatory Authority of India. Further, with regard to the pendency of 101 applications for allotment of microwave spectrum, DoT clarified that majority of the applications pertained to the quashed 2G licences, while the remaining pertained to the applicants who got their license renewed after their expiry of licences 2014 onwards. "The main reason for pendency of such applications (renewal cases) was that the applicants were unwilling to comply with the existing (provisional) guidelines dated 16 October 2015 in which pricing has been upwardly revised," the CAG report said, citing DoT.

However, the CAG called DoT's response to be untenable. It noted: "In order to maintain the level playing field among all telecom operators DoT decided in 2011 that in future spectrum would be made available only through market driven process. DoT had started auction of access spectrum but also continued allotment of MWA spectrum administratively (FCFS) to telecom service providers. This shows contradictions in DoT's own policy implementation".