

Govt says 3G auction to be held as scheduled on Jan 14 even as DoT yet to issue notice for inviting bids

TT Correspondent | New Delhi | 22 Dec 2009

An empowered group of Ministers headed by Finance Minister Pranab Mukherjee which met on Monday to resolve the impasse surrounding 3G spectrum auctioning assured that 3G spectrum auction in the country will take place as scheduled on January 14, 2010. Spectrum however will be handed over only by August as opposed to earlier scenario when it was to be granted by June.

Effectively the move means there will be a two month delay in entry of 3G services by private operators. This if one assumes that the auction will take place on January 14 as announced by the government. However even as the government keeps on assuring that the auctions will indeed take place on time, the DoT is yet to issue notice inviting interested players to participate in the bid. This formal process and subsequent procedures will itself consume some days.

The government said on Monday that it will only take 25% payment from successful bidders during auctioning. The rest will be taken at the time of granting spectrum to these bidders. This is in departure from earlier announced plan when the telcos were required to pay the amount within 15 days of the completion of auction.

The government also said that it will auction four blocks of 5MHz each as originally announced. Last week it appeared that the government will auction only 3 blocks. In fact it is this decision which will result in spectrum to be awarded by August as the Defence forces will vacate the band by this time.