

Refund BSNL, MTNL for surrendered spectrum, says DoT

By [Joj Thomas Philip](#), ET Bureau | 14 May, 2013, 05.00AM IST

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NEW DELHI: The [telecom department](#) has told the panel of ministers tasked with finding solutions to revitalise state-owned telcos [BSNL](#) and [MTNL](#), that the spectrum auction rules of 2010, which state that companies will not get a refund if they surrender their airwaves, should not apply to the two public sector mobile phone companies.

The department (DoT) has argued that [BSNL](#) and [MTNL](#) were given 4G airwaves or wireless broadband spectrum in 2008, two years prior to the auctions of these frequencies for private operators, and has added that the allotment letters given to the PSUs did not state anything related to surrender of bandwidth.

Private telcos are bound by rules in the [Notice Inviting Applications](#) (NIA) that were issued in 2010 prior to the auctions, while the PSUs were bound by rules issued by it in 2007, the department has argued, while asking the panel of ministers to consider two options for refunding [BSNL](#) and [MTNL](#).

Last month, the Centre had constituted a panel of ministers and asked them to look at ways to revitalise the two public sector mobile phone companies after telecom minister [Kapil Sibal](#) had urged Prime Minister [Manmohan Singh](#) to set up a Group of Ministers with the mandate to come up with a strategy to revive [BSNL](#) and [MTNL](#).

This panel must take a call on the telecom department's demand that Cabinet approves Rs 23,000-crore bailout for [BSNL](#) and [MTNL](#). The DoT had earlier approached the Union Cabinet stating that [BSNL](#) had surrendered 4G spectrum in six regions and was entitled to a refund of Rs 6,725 crore, while the corresponding figure for [MTNL](#), which has given up these frequencies in Delhi and Mumbai, is Rs 4,534 crore. The department has asked the panel of ministers to consider two possibilities - refund the entire amount of Rs 11,258.48 crore to the two PSUs, or alternatively, since these airwaves were given in 2008, the two companies could be reimbursed on a pro-rata basis, which would see them get a total of Rs 8,723 crore.



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