

Cabinet to take final decision on reserve price

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The empowered Group of Ministers (EGoM) on telecom headed by the Home minister P Chidambaram on Friday decided that the final decision on reserve price, spectrum usage charge and terms of payment will be taken by the Cabinet.

“The EGoM discussed three specific issues...EGoM is going to make a specific recommendation on each of these issues to the Cabinet, so that the Cabinet decides on it finally,” the Telecom Minister, Kapil Sibal, told reporters here today.

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According to Times of India sources, the empowered group of ministers (EGoM) was looking at a reserve price of Rs 16,000-17,000 crore as a "reasonable level", which would balance the interests of consumers, companies and the government. Through 3G auctions in 2010 the spectrum price for pan-India licence was pegged at Rs 16,751 crore.

TRAI has recommended a reserve price of Rs 18000 crore for 5 Mhz of spectrum in 1800 MHz band. The communications ministry wants to reduce it to Rs 12,000 cr. This is the reason that the EGOM today asked the Dot to do the new exercise so that it can build a case for reducing reserve price.

The Empowered Group of Ministers (EGoM) will give its view on each of these issues to the Cabinet, which will then take a final decision on the matter.