

Govt accepts BSNL proposal to return BWA spectrum

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In a development that will give some relief to BSNL, the government has in principle agreed to the loss-making PSU's proposal to surrender broadband wireless access (BWA) spectrum in 13-14 circles.

"The Department of Telecom (DoT) has in principle agreed to the BSNL's proposal of surrendering BWA spectrum in 13 to 14 circles," Telecom Secretary R Chandrasekhar said on the sidelines of India Telecom Summit here.

He, however, said the technicalities are still in the discussion stage and the final decision would be taken in consultation with the company.

BSNL had paid over Rs 8,500 crore last year for acquiring BWA spectrum and the PSU was not given a choice to pick and choose circles as it was made to match the highest bid received for each circle in the auction.

Asked whether this will result in the pan-India availability of spectrum and the government will auction it, he said, "We have to see that

because BSNL has different band of BWA and it is unlikely to be auctioned this fiscal."

BSNL has registered a loss of over Rs 6,000 crore for 2010-11, mainly due to high staff cost and payments made for acquiring 3G and BWA spectrum.

BSNL was allotted non-standardised band of BWA spectrum for 21 circles.

The PSU offers telecom services in all areas of the country, barring Delhi and Mumbai.

Saddled with losses, BSNL had recently written a letter to the DoT offering to return of BWA spectrum in 17 circles, sources had said, adding that the company wanted to retain the spectrum only in Maharashtra, Andhra Pradesh, Gujarat and Haryana service areas.

The letter had stated BSNL was allotted non-standardised band of BWA and could not be put in use and hence the company wanted to return the spectrum.

Earlier, BSNL had floated a tender to allow franchisees to run services on revenue share basis, which came under DoT scanner due to irregularities found in allotting BSNL's WiMAX franchisee.

Sources in the know said that BSNL could get over Rs 7,000 crore in refund after it gives up spectrum in 13-14 circles. There was, however, no official comment on it.