



RAJEEV CHANDRASEKHAR
MEMBER OF PARLIAMENT
RAJYA SABHA

Member of Standing Committee on Finance
Member of Consultative Committee on Finance
Member of Parliamentary Forum on Youth
Co-Chairman, Vigilance & Monitoring Committee, Bangalore Urban District

01 September, 2010

Dear Finance Minister

Sub.: Only Government should benefit from Spectrum Resale / Consolidation

I draw your attention to an article in the Economic Times titled "New Telcos may exit, set off consolidation" dated 30 August, 2010 (copy enclosed herewith).

In this regard, I am attaching herewith my letters to the Hon'ble Prime Minister and the Hon'ble Minister of Communications & IT.

You would agree that as demonstrated by the recent 3G spectrum auctions, there are serious gains for the Exchequer and the Ministry of Finance, which should have been realized in the first place from 2G spectrum, when it was allocated without any tender / auction process, at far below market prices in January 2008.

However, now that this opportunity may present itself yet again, the Government must make the most of it by taking the following measures:

1. Ensure that spectrum of these surrendering licensee are to be returned only to the Government / DoT.
2. Government to re-auction the returned spectrum to maximize the gains to the public.
3. This will also ensure that there are no windfall gains for companies; rather, that these gains and value of spectrum accrue to the Government and the country.

The Government must also give specific directions to TRAI in this regard, which it is empowered to do, under Section 11 of the TRAI Act, and ensure that as in case of 3G spectrum auctions, the Exchequer gets the true value of spectrum and a private auction does not replace a Government auction.

...2..



-2-

I believe that spectrum that will be returned will be benchmarked at near 3G prices – and you will agree that re-auctioning of this spectrum by the Government will ensure large sums of revenues for the Exchequer, thereby helping the Finance Ministry in its deficit management and funding programmes.

I urge you to kindly look into the matter.

Yours Sincerely,

A handwritten signature in blue ink, which appears to read 'Rajeev Chandrasekhar', is written over a horizontal line.

RAJEEV CHANDRASEKHAR

Shri Pranab Mukherjee
Hon'ble Minister of Finance
Government of India
New Delhi