

BSNL, MTNL likely to get 4G spectrum worth Rs 20,000 crore

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Solicitor general Tushar Mehta is understood to have given a go-ahead to a DoT proposal to allocate 4G spectrum to the ailing state-run telecom firms

It seems that decks have been cleared for the administrative allotment of 4G spectrum worth `20,000 crore to BSNL/MTNL as solicitor general (SG) Tushar Mehta is understood to have given a go-ahead to a department of telecommunications (DoT) proposal regarding the same.

Sources say the DoT had sought legal opinion from SG after the Telecom Regulatory Authority of India (Trai) refused to offer its views regarding the matter, terming it an administrative issue. The legal view was necessary in the backdrop of the 2012 Supreme Court order which mandated that spectrum has to be auctioned for commercial purposes.

BSNL and MTNL cite allotment of 4G spectrum as the prerequisite to survive in the hyper competitive market.

As per a source in DoT, with the backing of legal opinion, DoT is likely to soon allocate 4G spectrum to the state-run firms.

BSNL has sought allocation of an additional 5 MHz spectrum in 2100 MHz band preferably contiguous to its existing 5 MHz block in the same band in all service areas except Rajasthan where spectrum is not available. For Rajasthan, the operator has sought 5 MHz in 800 MHz band for launching of 4G services. The value of spectrum is around `14,000 crore. For MTNL, the airwaves will cost `6,000 crore.

The state-run telecom companies are eagerly awaiting a revival package as the companies have not been able to pay salaries on time. The firms have not paid August salaries to the staff.

While BSNL has applied for a loan of `2,500 crore, MTNL is seeking `500 crore. If the loans are approved, it will give some flexibility to the companies for a few months after which a revival plan will also be finalised. The DoT is also holding meetings with public-sector banks to arrange for finances, which will take care of their immediate needs as well as capital expenditure for rolling out 4G network. The government also wants to restructure the `40,000-crore debt of the two firms.

Currently, while 77% of BSNL's revenues go into paying salaries, over 90% of revenues are used for paying MTNL staff.