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TRAI Allows the Sale of 5G Spectrum

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- The Telecom Regulatory Authority of India (TRAI) has recommended the auction of spectrum for offering 5G services for the first time in the country.
- The 5G airwaves, i.e. the spectrum in 3300-3600 MHz, should be put to auction. Further to avoid monopolisation of this band, there should be limit of 100 MHz per bidder.
- To check potential misuse and windfall gains, it proposed a five-year lock-in for 5G spectrum, instead of two years for other bands.
- 5G auction, a first for India, is expected to be a catalyst for internet of things (IoT) innovations that would speed up machine learning and artificial intelligence.
- It has also recommended for over 43% reduction in the reserve prices of 700 MHz band spectrum. It had no takers in the 2016 auctions due to high pricing.
- The regulator also pointed out that there is an urgent need of audit of all allocated spectrum both commercial as well as spectrum allocated to various PSUs and government organisations by an independent agency on a regular basis.

Concerns

- According to few experts, lowering the spectrum prices alone doesn't fix anything. Until and unless the spectrum usage charge, licence fees and other levies are lowered as well, the industry may not be able to cope with the requirements for state-of-the-art infrastructure needed for new technologies and early rollout of 5G.
- The financial health of the telecom sector and its revenue growth is a cause of concern as a result intense competition.