

5G spectrum auction quantum inadequate, costly: BFI

New Delhi,

The quantum of 5G spectrum on auction in the country is inadequate and pegged at a very high reserve price which is approximately 5 to 6 times higher than in other countries and needs urgent revision, a broadband industry association said on Monday.

"Quantum of 5G spectrum on auction inadequate and at a very high reserve price. Current reserve price of 5G spectrum is too high - approximately 5 to 6 times higher than other countries and needs urgent revision. The unsold mobile spectrum has cost India Rs 5.4 lakh crore in economic loss since 2010. Forty per cent of spectrum since the 2010 auctions has remained unsold", Broadband India Forum (BIF) President T.V. Ramachandran said in a statement.

The BIF urged government to "ensure spectrum adequacy and reasonable reserve price for successful 5G auctions and is awaiting DCC's (Digital Communications Commission) action towards an en-

abling policy decision for strengthening the country's digital India aspirations."

"The current reserve price of 5G spectrum is too high - about 4 times higher than other countries when compared on ARPU (average revenue per user) adjusted cost per MHz and needs urgent revision", he said. At the last auctions held in October 2016, which was India's largest spectrum sale, more than 1,300 MHz of radio spectrum, that is around 59 per cent, remained unsold, leading to significant unrealised potential. Taking all the six auctions held since 2010, only about 60 per cent spectrum has been sold.

According to the statement, India had 762 million active mobile connections in 2016 served by over 3,800 MHz of spectrum allocated to licensees, which indicates that the idle spectrum lying with the government could enable connectivity for roughly 278 million additional active connections, which correspond to 21 per cent of the country's total population. "If 10 per cent

increase in tele-density leads to an increase of 1.9 per cent in GDP (applying the results of the ICRIER economic impact study), the financial cost of this idle spectrum can then be estimated to be Rs 5.40 lakh crore, or over 160 per cent of the financial benefit of Rs 3.30 lakh crore from all spectrum auctions so far," BIF said. "Due to our very high reserve prices in past auctions, we have accumulated huge unsold spectrum and thereby lost to the nation and the public as much as Rs 5.40 lakh crore and consumers have lost out on quality of services," Ramachandran said. According to the broadband body, India requires more spectrum to support surging data traffic. India now has the highest data traffic in the world but has one of the lowest allocations.

"Many developed nations across the world have assigned spectral resources far in excess of the quantum that is available to Indian

operators. India has 185 MHz of spectrum, much far behind 370 MHz in the United States, 296 MHz in France and 260 MHz in China. "For a country with a large population, highly inadequate fixed line connectivity and rapidly growing mobile usage, this is an enormous problem that constrains the coverage as well as quality of services," he added. Telecom companies have said the prices suggested by regulator Trai are unsustainable and too high. Pointing to low base prices for 5G airwaves on a per MHz basis set by countries such as South Korea, the telcos say India's pricing is seven times higher.

"We've made it clear that for 3.5 GHz spectrum, the reserve prices indicated by Trai in the ballpark of Rs 50,000-55,000 crore for 100 MHz, are prices we can't afford and they're exorbitant," a senior Bharti Airtel official has said.

—IANS