Joint Owning of Spectrum

Why in news?

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Chairman of Bharti Enterprises has made a case for **shared active infrastructure,** including spectrum, to restore the telecom sector's profitability and credibility.

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What is the idea and why it is necessary?

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- At present, each operator builds its own network. If there is a common network, the capital expenditure will come down sharply.
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- In the proposed scheme of things, spectrum could be jointly owned by 'a network operating company' from which all **service operators can take it on lease**.
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- This will transform the telecom operators into purely marketing companies and **strengthen their balance sheets**.
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- This will also lead to **increased efficiency** in usage of the scarce natural resource.
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- This idea makes sense, since, the profits of telcos are at an unprecedented low on account of the high price of spectrum and the tariff war between them.
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- Also, recently Indian telecom stocks and its overseas interests have taken a huge fall indicating there is no sign of any improvement in the business scenario in near future.
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- The case was made for turning the entire country into one telecom circle also.
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- Currently, country is divided into 22 circles. And for each circle, an operators needs a separate team. Thus, one circle means lower costs.
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What is the way forward?

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- The transformative impact of telecom is well known to all, and yet the sector is faced with bleak prospects.
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- So, the govt needs to consider all the above suggestions.
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- **The sub-sea cables are all owned by consortiums of operators**. There is sharing of telecom towers as well.
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- Thus, pooling of passive infrastructure has already happened in telecom.
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- But, the need of the hour is to extend this idea to the active infrastructure: Spectrum, base stations, fibre optic etc.,
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Source: Business Standard

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