Upgraded TRAI’s rules

Why in news?

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The Telecom Regulatory Authority of India has proposed to raise the cap on the quantum of spectrum held by a mobile operator.

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What is spectrum in telecom?

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- Telecom spectrum is about the frequencies that are used to transmit sound and data across the country to our phones.
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- Every telecom operator has been assigned certain portions of spectrum to use in India, through auctions and administrative allocations.
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What are the existing rules?

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- The existing rule allows an operator to own only 50 per cent of the spectrum in a particular frequency band, and not more than 25 per cent of the overall spectrum available.
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- For example, 1800 MHz band was allocated to offer GSM-based 2G services while 800 MHz band was for CDMA services.
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- This rule was effective when there were seven to twelve operators in each circle and different frequency bands were used for offering different services.
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- Having a lower spectrum cap made sense as it prevented concentration of a particular frequency band with one player.
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What is the need for new set of rules?

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- The technological developments enable operators to utilise multiple frequency bands for the same service.
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- For example, both 1800 MHZ band and 800 MHZ band are used for offering 4G services.
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- Therefore, it does not make sense to put a cap when it comes to spectrum ownership in specific frequency bands.
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- Also, the average spectrum holdings of mobile operators in India is low in comparison with international standards, when the average data usage per subscriber per month is expected to shoot up from 6 GB to 11 GB in the next few years.
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- Any limitations due to spectrum cap may also dampen the bidding intensity in future auctions, as most large operators are nearing the existing caps.
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Source: Business Line

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