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The success of 5G auctions proves that Govt has learnt the lessons from earlier flaws. Discuss.

The latest ~~of~~ 5G spectrum auctions were held over 1.5 lakh crores. It was held for low, medium and high band spectrum.

5G success story

The premium 700MHz category didn't find takers in the premium auction. In this auction it was sold at four year maintenance has been given for companies paying large AGR dues. This will bring cash relief to the industry.

The decision not to levy spectrum usage charges for spectrum bought in future auctions. This will lower the expenses of the companies. These efforts are supplemented by TRAI by reducing the reserve price

by 34% and changing methodology to arrive at base price. The 71% of spectrum were auctioned this time

The prices of past spectrum would not be used as benchmark if spectrum is not sold.

Challenges

① Only 34% of the mobile towers are fiberized. For 5G services to grow at least 70% must be fiberized.

② Low bidding intensity only 3 companies used bidding

③ Underdeveloped hardware manufacturing to accommodate 5G.

Way forward

The license fee must be reduced from 8% of AGR by abolishing universal service obligations levy. The same reserve price should be maintained for future auctions.