and whether the promise of 3G to the common man will be fulfilled also depends on the extent of infrastructure and equipment deployment to follow. The true capacity of 3G depends on not just the frequency of spectrum, but on the extent of massive capital investments in infrastructure (for instance, the density of base stations) that companies choose. Further, better infrastructure implies more bandwidth and greater coverage, which, in turn, provides a richer infrastructure for mobile commerce.

This is important because whether the upcoming allocation of spectrum translates into the ability of a Mumbai-based to watch a streamed Bollywood classic on her long

and their subsequent on-ground activity. This will foster those companies that have the desire, capability, capital and plans to deploy the broadband equipment possible over one who is less flexible for spectrum and therefore can’t afford equipment.

True, this could inflame spectrum bidding, since companies will be forced to get back some of their bid as a subsidy. But this is not necessarily a bad thing, because it aligns private and social interests, by committing these companies to putting in the necessary infrastructure. The key idea is that the more bids that are over-subscribed, the more the bid-reverse and the surplus goes to the infrastructure owner.

The Scramble

For Spectrum

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India represents the fastest growing mobile market in the world.

GROWTH STORY

US 300 million 225mm 16m 9% China 1.35 billion 443.2m 50.2% 11% India 1.1 billion 129.5m 53.6% 31%

 allocations are discussed in a spectrum necessary that the allocation require the necessary for a new generation of infrastructure, price necessary but sufficient. The realized value of this process is

The Scramble

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The Scramble

for Spectrum

There are seven mobile phone operators vying for five 3G slots being vacated by the armed forces. So, how should the spectrum be priced?

Ravi Bapna and Arun Sundararajan believe that ‘bundle auctions’ and subsidies for subsequent roll out are the way to go.