

# New board likely to review National Telecom's 700MHz plan

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**T**he portion of the 700-megahertz spectrum operated by National Telecom (NT) is likely to face a review when its new board is appointed in the near future as the project could be deemed an unworthy investment causing a long-term financial burden for the state enterprise.

An official at the Digital Economy and Society (DES) Ministry who requested anonymity told the *Bangkok Post* the ministry already sent a signal to the majority of NT board members, led by chairman Gen Suchart Pongput, to step down, which is the usual practice when a new government is formed to pave the way for a new round of appointments.

The 700MHz project attracted harsh criticism over recent years from NT's board of directors. The company's first board was chaired by ML Chayotid Kridakorn.

NT was formed through the merger of state telecom agencies TOT and CAT Telecom.

Prior to the merger, CAT Telecom obtained 20MHz of bandwidth on the 700MHz spectrum for upload and download in a 2020 auction for 34.3 billion baht. NT has yet to provide a service on its section of the 700MHz spectrum.

The 20MHz of bandwidth is divided into two parts. NT will operate its own service on 10MHz of the bandwidth to complement its mobile phone service based on multiple spectrum bands, which has around 2 million subscribers.

NT will transfer the right to use the remaining 10MHz of bandwidth to AWN, a subsidiary of Advanced Info Service (AIS). The National Broadcasting and Telecommunications Commission (NBTC) has approved this step.

NT and AIS recently entered a telecom equipment rental agreement for NT's 700MHz spectrum and an agreement on nationwide network roaming, with the aim of enhancing their 4G/5G capabilities.

Under the agreements, AWN will establish a 4G/5G network on the 700MHz spectrum with a total of 13,500 base stations within two years.

This network will be used by NT to provide mobile phone services, including both 4G and 5G, to its customers throughout the term of NT's 700MHz licence, which expires on March 31, 2036.

NT has already placed three instalments for its 700MHz licence to the NBTC.

The state enterprise paid 3.3 billion baht for each of the first two payments

in 2021 and 2022, respectively.

For the third instalment due this year, NT recently paid only 1.65 billion baht towards the instalment while AIS is responsible for paying the other 1.65 billion baht on behalf of NT.

A source on the NT board who requested anonymity said several telecom veterans and even some directors of the first board have their doubts regarding the portion of the 700MHz project that the state enterprise is scheduled to develop because of the potential risk in terms of a future financial impact.

They believe NT will not succeed in providing a competitive mobile phone service and it does not have enough spectrum variety in its portfolio compared with larger rivals, said the source.

The source said several veterans expressed concern that the auction bid of 34 billion baht, plus capital expenditure and operating expenses of around 100 billion baht over the long term, requires prudent investment consideration to prevent financial damage to the company's financial structure in the future.

The National Economic and Social Development Council took a very long time before endorsing NT's adjusted feasibility study for its 700MHz investment project.



**The headquarters of National Telecom, which was formed through the merger of state agencies TOT and CAT Telecom.**

Chaiwut Thanakamanusorn, the former DES minister, earlier said he was concerned with regard to the future of the project.

Mr Chaiwut said one alternative proposed earlier to the NT board was to hold discussions with the NBTC on the possibly of NT returning its licence to the regulator for reallocation. However, the proposal faced legal challenges.

NT previously planned to launch its own 5G service to mass market on its section of the 700MHz spectrum in April 2023 before being postponed. The timeline for the proposed service remains uncertain.

NT president Col Sanphachai Huva-nandana earlier told the *Bangkok Post* NT's 5G service on the 700MHz spectrum had set conservative targets, including a target of boosting NT's total subscribers to 3 million within a few years from 2 million subscribers on its various existing spectra.

"The market situation and mobile business landscape have been dramatically changed over the past two years as the mobile service business has been adjusted by new business models, digital innovations and competition," he said.