

TELECOMMUNICATIONS

B50bn targeted from spectrum auctions

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The telecom regulator is targeting 50 billion baht in revenue from the second round of spectrum auctions next month, with 36 billion for the 900-megahertz band and 12.48 billion from the 1800MHz.

Total Access Communication (DTAC) is expected to bid for both licences so it can continue servicing its 2G network users after its concession ends on Sept 15, said Takorn Tantasith, secretary-general of the National Broadcasting and Telecommunications Commission (NBTC).

A telecom analyst from Kasikorn Securities (KS) who requested anonymity said only the 1800MHz licences would attract DTAC and Advanced Info Service (AIS), but no one would participate in the 900MHz auction. DTAC earlier told the NBTC that it was interested in the 900MHz band.

Mr Takorn said the second attempt at an auction for the 1800- and 900MHz licences will be successful after the first round was aborted because no one filed for bid documents by the June 15 deadline.

The NBTC board on Monday officially approved the final draft of an information memorandum for both auctions. The final draft will be effective on July 5 after publication in the *Royal Gazette*.

The auctions of the 900MHz and 1800MHz spectra are scheduled to take place on Aug 18 and 19, respectively.

Mr Takorn said the final draft of the 1800MHz licence auction is more practical than previous versions as the bandwidth blocks are smaller.

For the 1800MHz auction, the NBTC decided to divide the spectrum into nine blocks of 10MHz (upload and download) each, removing the "N-1" rule and capping

the maximum licences per bidder at four blocks. The N-1 rule required the number of licences to be one less than the number of bidders to promote competition.

The NBTC decided to put the 900MHz spectrum up for auction and cut the reserve price from 38 billion baht to 36 billion, adding the requirement that the winning bidder install equipment to prevent signal interference with the high-speed rail signalling system.

The NBTC earlier allocated 10MHz of bandwidth (upload and download) on the 900MHz spectrum for a planned high-speed train project.

"I believe DTAC will join both [auctions], while AIS may only bid for one slot on the 1800MHz spectrum," said Mr Takorn.

The board earlier said its remedy measures would only be applied if the NBTC fails to auction the spectra prior to the concession expiry on Sept 15, and if DTAC submits bid applications for both spectra.

"DTAC will bid for both licences if it wants to use the spectra ranges after the concession expiry date," he said.

The KS analyst said the 1800MHz spectrum will be more valuable for DTAC than the 900MHz band because the payment size and additional investment in the latter is much larger, while traffic on the 1800MHz spectrum is more critical.

900MHZ AND 1800MHZ AUCTION DRAFT IN AUGUST

Spectrum	1800MHz	900MHz
Amount of bandwidth	90MHz	10MHz
Number of licences	9	1
Bandwidth per licence	10MHz	10MHz
Maximum licences per bidder	4	1
Useful life (years)	15	15
Letter of guarantee (billion baht)	2.500	1.800
Penalty charge (billion baht)	1.875	1.350
Reserve price (billion baht)	12.486	35.988
Bidding increment (million baht)	25	72
'N-1' rule	no	no
Payment terms	% of the reserve price	billion
Within 90 days	50%	4.020
1st year	0%	0
2nd year	25%	2.010
3rd year	25%	2.010
4th year	the remaining amount	

Source: NBTC

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