

TELECOMMUNICATIONS

AIS, DTAC pick up bid documents

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Subsidiaries of Advanced Info Service (AIS) and Total Access Communication (DTAC) have picked up bid documents for the second planned auction of 1800 and 900-megahertz spectra licences yesterday, while True Move, the second-largest mobile operator, has not yet expressed its intent.

Interested companies can pick up bid documents until Aug 7, with the submission date Aug 8.

Takorn Tantasith, secretary-general of National Broadcasting and Telecommunication Commission (NBTC), said AIS's Advanced Wireless Network (AWN) picked up two bid documents, one for each licence auction.

DTAC's two subsidiaries — DTAC TriNet and DTAC Broadband — each picked up two bid documents for both licence auctions.

Although the NBTC board amended some critical conditions, especially for the 1800MHz auction, dividing the spectrum into nine blocks of 10 MHz (upload and download) instead of three licences each containing 30MHz of bandwidth.

Each slot of 10MHz of bandwidth on the 1800MHz band has a reserve price of 12.5 billion baht compared with 37.4 billion for 30MHz slots originally.

"I'm not confident True Move will join the bidding," said Mr Takorn.

NBTC targets almost 50 billion baht from the auctions next month — 36 billion for the 900MHz band and 12.48 billion for the 1800MHz.

DTAC, the country's third-largest mobile operator, is expected to be a major bidder for both bands.

The auction dates for the 900MHz and 1800MHz licences are scheduled for Aug 18 and 19, respectively. All prospective



Executives of AIS (right) and DTAC (second from right) picked up bid documents for both the 900- and 1800MHz auctions from Mr Takorn (second left).

bidders must submit bid documents with bid guarantees by Aug 8.

Yesterday DTAC raised concerns over new requirements for the winner of the 900MHz licence at an information session held by NBTC. DTAC said the new requirement posed major challenges to the industry.

Rajiv Bawa, chief of corporate affairs and business development for DTAC, said the addition of new clauses 16, 17, 18 is troubling, stating the winning bidder of the 900MHz spectrum would be solely responsible for any and all interference to Thailand's upcoming railway projects, operating on the 850MHz and 900MHz bands.

DTAC now operates mobile services on the 1800- and 850MHz spectra under a CAT Telecom concession, which is scheduled to end on Sept 15.

NBTC is set to auction one licence of the 850MHz band on Aug 8 and upgrade it to the 900MHz spectrum range after the auction.

Mr Rajiv said DTAC has identified two critical issues imposed on bidders because of this additional requirement.

First, the reduction of the reserve price by 2 billion baht from the 900MHz auction (36 billion from 38 billion) will not cover the cost of filters and implementation on other operators' and the railway's radio equipment. While it is challenging to predict the costs without proper analysis, DTAC estimates these to be significantly higher than the proposed reduction to the reserve price.

Second, it may create operational risk as the bidder of the 900MHz spectrum would be solely responsible for all operational risks related to the interference. The installation of filters at other operators' base stations to be done by the bidder is not possible in practice, he said.

In addition, NBTC reserves the right to reshuffle the spectrum if needed, with the licensee responsible for any additional filter installations. This represents an unprecedented level of risk and uncertainty for the bidder in the 900MHz spectrum auction, said Mr Rajiv.

DTAC submitted a letter to NBTC on June 25 saying switching to 900MHz requires new equipment installation on some 13,000 sites, taking 24 months.