

AIS, DTAC step up to bid

Both companies place guarantees for 4 slots

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Advanced Info Service (AIS) and Total Access Communication (DTAC) have each taken a turn at submitting bid applications for the second round of the 1800-megahertz spectrum auction scheduled for Aug 19 after turning down the first-round bids.

The auction for the 900MHz spectrum has been aborted after the country's three largest mobile operators failed to submit bid applications yesterday and officially announced that they will not participate.

Takorn Tantasith, secretary-general of National Broadcasting and Telecommunication Commission (NBTC), said AIS, through its subsidiary Advance Wireless Network (AWN), and DTAC, through TriNet, each submitted a bid application for an 1800MHz licence yesterday.

The reserve price for each slot is 12.48 billion baht.

AIS and DTAC each placed 2.5 billion baht to guarantee their bids for four slots on the 1800MHz spectrum, the maximum number of slots each bidder is allowed to win in the auction.

Second-ranked operator True Move has reiterated that it will sit out both the 1800- and 900MHz spectrum auctions, reasoning that the bandwidth it is operating on is sufficient to accommodate subscriber growth.



A sign advertises the auction for the 1800-megahertz spectrum at the NBTC's head office. SOMCHAI POOMLARD

AUCTION EXPECTATIONS

At least two licences for the 1800MHz spectrum will be sold in the Aug 19 auction.

DTAC operates mobile services through 90MHz of bandwidth on the 1800MHz spectrum and 10MHz of bandwidth on the 850MHz spectrum under a CAT Telecom concession that expires on Sept 15.

The NBTC plans to auction nine slots on the 1800MHz spectrum on Aug 19, each containing 10MHz, and one licence for the 900MHz spectrum that contains 10MHz of bandwidth for upload and download.

According to the auction rules, the winner of the licence must pay 50% of the winning price within 90 days after the auction, 25% in 2019 and the remaining 25% in 2020. Winners who fail to place the first payment term will be fined 1.87 billion baht for each slot.

"There are two bidders for the 1800MHz licences, meaning at least two slots on the 1800MHz will be sold, together worth 25

billion baht," Mr Takorn said.

Weerawat Kiattipongthaworn, AIS's chief corporate officer, said the company will use the 1800MHz band to develop innovations and services for customers and industries.

RESHUFFLING WHAT'S LEFT

Mr Takorn said the NBTC after the auction will hold a meeting to decide on the next move for the remaining slots on the 1800MHz spectrum for the next auction and the one 900MHz licence that was aborted.

Meanwhile, the NBTC plans to propose that the government reshuffle 10MHz of bandwidth on the 900MHz spectrum range that was previously awarded to the high-speed train project, in favour of the 400MHz spectrum range.

The move will create more attractive conditions for the 900MHz spectrum licence by ensuring no failures in the next

auction, Mr Takorn said.

Mr Takorn acknowledged that it is unclear how many stations will be built in the upcoming railway projects, and thus private companies cannot estimate the cost of equipment installations.

He said DTAC executives spoke to him about the problems with the 900MHz auction yesterday. DTAC will submit a formal proposal to the NBTC in support of the spectrum reshuffle.

TELECOM CONFIDENCE

An analyst from Kasikorn Securities (KS) said DTAC's decision to submit a bid application for an 1800MHz licence affirms the company's optimism that industry competition will be rational in the aftermath of the auction, as DTAC's competitiveness will be restored and the risk to DTAC's business continuity will be alleviated.

DTAC explained that the smaller licence block on the 1800MHz spectrum, from 30MHz to 10MHz, makes it more economical for DTAC to re-evaluate the situation.

DTAC refrained from applying for a 900MHz spectrum licence because of the elevated reserve price, some technical limitations of spectrum usage and the risk of public liability from possible frequency interference with the adjacent band being used for the high-speed railway system.

"We [at KS] are confident that DTAC made the right decision, as it should not only be able to maintain competitiveness but also improve its relationship with the NBTC and potentially see the NBTC review the reserve prices in the near future," the analyst said.