

Telecom firms flag spectrum priorities

DTAC AND AIS DECIDE TO BID FOR LICENCES ON 1800MHZ SPECTRUM, BUT SKIP AUCTION FOR 900MHZ LICENCE

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TOTAL Access Communication (DTAC) group and Advanced Info Service (AIS) group will contest an auction for licences on the 1800MHz spectrum and opt out of the running for the sole 900MHz licence to go under the hammer.

Yesterday, DTAC subsidiary DTAC TriNet and AIS subsidiary Advanced Wireless Network (AWN) submitted only the applications to bid for the 1800MHz licences.

Earlier, the two groups were the only telecoms operators to pick up the bid documents for both spectra in the National Broadcasting and Telecommunications Commission's (NBTC) revised auction timeframes. Yesterday was the deadline for the submission of bid applications.

AIS' shares yesterday closed at Bt204 each, up 2.26 per cent, while DTAC's shares jumped 12.5 per cent to end at Bt45. True Corp's shares closed at Bt6.65, gaining 2.31 per cent.

A telecom industry observer said that DTAC's decision not to bid for the 900MHz licence means it will

become the only the telecom operator without low-band spectrum after its 850MHz concession expires on September 15. The observer believes that this could compromise its network coverage indoors and in rural areas.

This handicap might pave the way for True Corp and AIS, which have low-band spectrum and strong rural coverage, to gain market share from DTAC in rural areas. The observer's view is based on the latest announcement of the NBTC that it would not grant a remedy period sought by DTAC for the 850MHz service after its concession ends.

The remedy period refers to the length of time that a telecom operator can continue to offer services on existing spectrum after a concession arrangement ends. This provision is aimed at preventing a disruption to services.

The NBTC will auction nine licences of the 1800MHz spectrum, each containing 5MHz, on August 19. The regulator will announce the names of the qualified bidders on August 15.

Each of the 1800MHz licence bidders can bid for a maximum of four

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licences. The starting bid price for a 1800MHz licence is Bt12.486 billion.

According to AIS chief corporate officer Weerawat Kiattipongthaworn, due to the upward trend in the telecom industry, the company will have an opportunity to use the 1800 MHz band to develop more innovations and services for all its customers and across all industries.

DTAC chief executive officer Lars Norling said DTAC had considered the auction rules carefully and concluded that it would participate only

in the 1800 MHz auction. The revised conditions for the 1800 MHz auction allow more flexibility for the bidders and facilitates competition, he said.

"The effort to acquire the 1800MHz spectrum is a way of safeguarding customers' interests to ensure uninterrupted services while we are taking all necessary preparatory measures, including the customer protection plan, to ensure that no customer is adversely impacted by the concession expiry," Norling said.

"Adding 1800 MHz spectrum into the current spectrum portfolio will not only allow DTAC to maintain 2G service for a large base of customers but will also increase 4G network capacity to serve the massive growth of data usage."

CAT Telecom granted the concession to DTAC to operate the 1800MHz and 850MHz spectra. After the September 15 expiry of the concession, the NBTC will reclaim both bands, upgrade the 850MHz band to 900MHz, and put the 1800MHz bands and 900MHz band up for auction.

Norling said that DTAC had declined to bid for the 900MHz spectrum after its management previously

raised serious concerns over the conditions regarding a signal interference in the NBTC final Information Memorandum that would cause the company operational risks and unpredictable costs.

The auction conditions state that the winner of the 900 MHz licence is solely responsible for any and all interference between the 900MHz band allocated for the auction and the other 900MHz band allocated for proposed railway projects.

NBTC secretary general Takorn Tantasith said yesterday that DTAC might be interested to bid for the 900MHz in the future once the risk stemming from the conditions was removed. The NBTC will consider how to proceed next on this issue.

Norling said that DTAC is still in talks with the NBTC about the remedy measure to prevent any interruptions to its customers after the CAT concession expires

True on Tuesday sent a notification to the Stock Exchange of Thailand of its decision not to participate in the frequency auctions, saying that the 55MHz of frequency bandwidth that it owns and operates is adequate for the growth of its subscriber base.