

TECHNOLOGY

Regulator rethinks licence conditions

Amendment would extend payment terms

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The telecom regulator is amending the existing terms of licence payments for the 1800- and 900-megahertz spectra to foster more competitive bidding for bandwidth left over from the most recent auction.

There is 35MHz of bandwidth (35x2 for upload and download) on the 1800MHz spectrum left over from the second-round auction on Aug 19.

There is also 5MHz of bandwidth on the 900MHz band left over from the aborted first-round auction.

"We expect the third round auction of 1800MHz licences and the second round of 900MHz licences by March 2019, following amendment of the conditions and the public hearing process," said Takorn Tantasith, secretary-general of the National Broadcasting and Telecommunications Commission (NBTC).

The amended conditions will focus on extension of payment terms in order to ease the financial burden of prospective bidders.

The NBTC expects to finish the amended drafts of the 1800- and 900MHz licence auctions in the next 60 days before beginning the public hearing process.

The amended drafts must pass a public hearing because the licence payment terms are a critical condition of the

INITIAL TIMELINE FOR NEXT AUCTION OF 1800 AND 900MHZ BY FIRST QUARTER 2019

Frequency	Bandwidth	Existing term of payment	Expected new condition
1800MHz	35MHzx2	50% of winning price 25% (2nd year) 25% (3rd year)	5-6 years term
900MHz	5MHzx2	4.02 billion baht 2 billion (2nd year) 2 billion (3rd year) The rest (4th year)	8-10 years term

Source: Compiled by Bangkok Post

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TAKORN TANTASITH
NBTC secretary-general

auction.

Mr Takorn acknowledged that it will be hard to revise the existing reserve price of the 1800- and 900MHz licences.

"Reducing the existing reserve prices may risk a legal backlash from outside parties and may be unfair to the winners of the previous auction," he said.

Mr Takorn said the NBTC is considering extending the existing terms of licence payments for the 1800MHz spectrum from three terms (three years) to five or six terms, and the present four terms of payment for the 900MHz to 8-10 terms.

The final resolution is contingent on approval by the NBTC board in October.

Last Sunday, the NBTC held the second-round auction of 1800MHz spectrum licences for 45MHz of bandwidth (45x2 for upload and download), divided



An advertising board touts the 1800- and 900MHz auctions at the NBTC head office in Bangkok. PORNPROM SATRABHAYA

into nine blocks with 5MHz each.

But only two blocks were sold through non-competitive bidding, and consequently 35MHz of bandwidth on the 1800MHz band was left over after the auction.

Advanced Info Service (AIS) through its subsidiary Advanced Wireless Network won one block for 12.51 billion baht, and Total Access Communication (DTAC) through DTAC TriNet won another block at the same price.

Each 5MHz block had a reserve price of 12.48 billion baht.

DTAC currently operates mobile service on 45MHz of bandwidth on the 1800MHz band and 5MHz on the 850MHz spectrum under a CAT Telecom concession. The

concession expires on Sept 15.

The NBTC has tried to auction these two ranges before the expiry of the concession.

In a related development, Mr Takorn said DTAC yesterday submitted a request for the NBTC to let the company use another 15MHz of bandwidth on the 1800MHz spectrum to provide service for its users post-expiry to avoid service disruption.

Mr Takorn said DTAC also asked the NBTC for permission to use 5MHz of bandwidth on the 900MHz spectrum despite sitting out the auction. The company said it had been interested in joining the bid but had to sit out because of technical conditions that would bring operating risk and unpredictable cost.