

TELECOMS

NBTC puts 700MHz auction into motion

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The telecom regulator has set the initial auction of the 700-megahertz spectrum range for next year by dividing 45MHz of bandwidth into nine slots, each containing 5MHz of bandwidth (5x2), with a reserve price of 6 billion baht per slot.

The auction's design is aimed to generate more licences to attract new players for the upcoming 5G wireless broadband service.

The move came after the National Broadcasting and Telecommunications Commission (NBTC) yesterday set up two subcommittees to prepare for the 700MHz auction procedures — one to handle the auction's conditions and licensing regime, and the other to work on the 700MHz spectrum valuation.

NBTC secretary-general Takorn Tanasith said the two subcommittees will finalise draft details of the 700MHz auction, including a public hearing process, by March 2019.

The earliest timeline for the auction is in the second quarter of 2019.

Mr Takorn said winners of the 700MHz licence cannot use the spectrum until 2020, and the licence payment would also start in 2020 because the band is being used by digital TV operators through the analogue system.

The NBTC is in the process of transferring them to a range within 470-510MHz. Analogue TV channels will be switched off in 2020.

The reserve price of each 5MHz slot on the 700MHz licence will be based on valuation for the low-band 900MHz reserve price set by the International Telecommunication Union (ITU).

"ITU had defined valuation for 10MHz of bandwidth on the 900MHz licence at 12.5 billion. The 700MHz is a low-band spectrum similar to the 900MHz. The reserve price for the 700MHz slot may be 6 billion baht, depending on final adjustments."

Mr Takorn said the funds from the auction of the 700MHz will in part be used to subsidise operation costs of digital TV operators under the long-term survival plan, including subsidies for the terrestrial broadcasting network (MUX) rental fee on top of existing support that will end over 2020-22 as well as operation costs from the must-carry rule until the digital TV licences expire.

Last week, the NBTC set up a working subcommittee for recalling the 700MHz

spectrum.

Mr Takorn said the NBTC also plans to auction another four ranges in the second half of 2019 to rearrange the unused spectrum range to serve 5G adoption by 2020.

The four ranges include the remaining 35MHz bandwidth on the 1800MHz spectrum, the 2600MHz range used by state-owned broadcaster MCOT, the 26GHz and 28GHz partly used by Thaicom.

The NBTC also set up a working subcommittee to recall the 2600MHz range from MCOT, which has 30 days to finish the recall framework.

700MHZ AUCTION TOO SOON

DTAC chief Alexandra Reich said the company has not yet decided whether it would participate in the 700MHz licence auctions next year.

DTAC recently won two licences on the 1800- and 900MHz auctions that create financial burdens, and the company must keep investing and developing infrastructure and operations through the existing variety of networks to ensure benefits to customers under a competitive market.

"I think the planned 700MHz auction is too urgent and it's too early for 5G adoption in the country. The NBTC actually always surprises us," said Ms Reich.

She said the auction for low-band spectrum licences is not the first priority for 5G preparation as well as showing speed of 5G tech, but it is a proper digital system for 5G regulations and a clear spectrum roadmap management.

"The 5G network is not just a showcase for the public, but a challenge in how real use cases will benefit real sectors," said Ms Reich. DTAC has identified farming as a key industry where 5G can unlock tremendous value for Thailand.

The DTAC Farmer Info app allows farmers to consult hyper-local weather information and high-resolution satellite images of their plots, both of which are provided by DTAC accelerate startup Ricult.

With 5G wireless broadband, Ricult could go even further, flying a drone directly to a farm, and streaming high-resolution 360-degree videos to artificial intelligence in the cloud. This in turn could allow much more advanced recommendations for farmers.

The 5G network would also transform how products are transported, offering faster delivery, lower cost and more reliability.