

TELECOM

State to invoke S44 to assist mobile operators

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The military government is expected to invoke Section 44 in February as its last chance to ease the burden of licence fees for winners of the 900-megahertz auction in 2015, in the hope of attracting bidders to upcoming auctions and to help digital TV operators.

If the government invokes Section 44 to extend the term of the winners' licence payments for 900MHz licences, True Move H Universal Communication (TUC) and Advanced Info Service (AIS), which each have to pay 60 billion baht in 2020 as the last payment term, will both benefit.

The regulator submitted a proposal to the government in October 2018 for

assistance in 900MHz licence payments to help all major operators.

Total Access Communications (DTAC), No.3 in the market, won a 900MHz licence last year via its subsidiary dtacTriNet, with a winning bid of 38.06 billion baht. It could also receive assistance.

AIS won its 900MHz licence in the 2015 auction for 75.65 billion baht, while TUC won another licence for 76.29 billion, each containing 10MHz of bandwidth.

According to a source who is close to the matter, February is the last chance for the government to use Section 44 because the general election is scheduled for March 24.

"It will be one of the toughest

decisions for the prime minister as the matter involves helping private companies," said the source.

Any assistance may create a barrier to the auctions of several spectrum ranges this year. More importantly, auction failures may directly affect existing digital TV operators.

Money from the planned auction is targeted to be partly used to subsidise the operation costs of digital TV operators under a long-term survival plan, especially the planned 700MHz and 2600MHz auction this year.

The source said top management of the National Broadcasting and Telecommunications Commission (NBTC) were called to talk with government policymakers on the issue

several times since last year.

NBTC secretary-general Takorn Tantasith said he has no idea how the government will settle the matter.

Mr Takorn supports the government using Section 44 as it will encourage operators to join bids for other spectrum licences in preparation for 5G adoption by 2020.

AIS and TUC jointly asked the government in late 2017 to invoke Section 44, easing the final payment deadline of 2020 for their licences.

The government submitted a letter asking the NBTC for its opinion. Its board last year agreed to support the requirements of the two companies.

However, the NBTC board approved the extension period for the 900MHz

licences for only a five-year instalment, down from seven years as original required by AIS and TUC.

Vichaow Rakphongphairoj, co-group president of True Corporation, said the extension of the 900MHz licence payment term is a top priority for the group, before it can make a decision on whether it will participate in any spectrum licence auctions in the future.

He said the three major mobile operators face heavy financial burdens from their 3G and 4G licence fees in auctions worth a combined 270 billion baht, apart from their annual investment in network rollout, with each spending 100 billion baht on networks over the past three years.