

USE IT OR LOSE IT

The DES minister warns that if NT doesn't draft a partnership to utilise its 5G spectrum soon, it may forfeit the licence. 3

NT could lose 5G range

Company has failed to take advantage of 700MHz of spectrum

KOMSAN TORTERMVASANA

National Telecom (NT) may have to return the 700-megahertz spectrum range to the telecom regulator if it cannot reach a partnership deal to capitalise on the frequency, says Digital Economy and Society Minister Chaiwut Thanakamansorn.

NT was founded in January last year through the merger of state telecom enterprises CAT Telecom and TOT.

Despite holding the 700MHz spectrum range secured through a 2020 auction by CAT Telecom, NT has yet to take advantage of the frequency.

NT is in talks with Advanced Info Service (AIS) and True Corporation, the No.1 and No.2 mobile operators in the country, for spectrum partnership deals, but no conclusion has been reached.

Mr Chaiwut said the NT board is about to make a decision on the talks, but if it still cannot move ahead, NT may have to consider returning the spectrum licence, which requires talks with the Office of National Broadcasting and Telecommunications Commission.

Three options were previously raised by NT to deal with the spectrum range: operating its own service under the NT Mobile brand; selling spectrum capacity to partners; or returning the licence.



If the NT board cannot reach a deal, NT may have to consider returning the spectrum licence.

CHAIWUT THANAKAMANSORN
DES MINISTER

In early 2021, NT entered the first round of partnership negotiations with AIS and True regarding NT's 700MHz band investment and cellular station expansion.

That round of talks stopped late last year following the announcement of the planned merger of True and Total Access Communication.

A new round of talks started early this year involving a partnership deal that would see AIS purchase 10MHz of bandwidth on the 700MHz range from NT. Another 10MHz of bandwidth held by NT is targeted for joint development by NT and AIS for the mutual benefit of both companies.

NT is also in talks with True about a deal that would see the latter expand the cell site bases for NT, while NT could rent True's networks for operations.

A source on the NT board who requested anonymity said it was hard for the board to conclude the partnership deals because of the prospect of hefty investment while the company still lacks a clear business model.

The company is not keen to engage in mobile service competition as it has less spectrum portfolio than other carriers, the source said. Even if the NT board gives the nod to partnership deals, they also require approval from the National Economic and Social Development Council.

The 700MHz spectrum range was obtained through the auction at a cost of 34.3 billion baht, 200% more expensive than the same range held by bigger rivals in the market.

"The 34-billion-baht licence plus around 100 billion in long-term capital expenditure and operation expenses for 5G business investment requires prudent consideration to ensure the investment will not damage the firm's future financial structure," the source said.

NT expects to face losses of 10 billion baht this year, the source said.