

TELECOMMUNICATIONS

Thaicom wants bid conditions changed

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SET-listed satellite service operator Thaicom is calling on the telecom regulator to adjust its draft conditions for the auction of satellite orbital slot packages, saying the reserve prices of the packages are still too high.

The company stressed the cost structure for the satellite business in Thailand carries a higher burden than in other countries as it comprises a telecom licence fee of 4% of the winning company's total annual revenue and another 0.25% for the orbit annual fee, in addition to the cost of orbital slots through the auction.

The National Broadcasting and Telecommunications Commission (NBTC) held a public hearing yesterday on its draft conditions regarding the satellite orbital slot package auction, scheduled for December.

The regulator's hearing, including on its website, is slated to end on Sept 12.

Last year's auction, scheduled for Aug 28, was scrapped as Thaicom's wholly owned company TC Space Connect was the sole bidder.

The December auction is set to have two-tier reserve prices, with the higher price used if there is only one bidder.

Last year's auction had only one reserve price per package.

The auction offers five slot packages instead of the four placed last year. They consist of 50.5° East and 51°E orbital slots; 78.5°E; 119.5°E and 120°E; 126°E; and 142°E.

Air Marshal Thanapant Raicharoen, an NBTC board member, said the combined reserve price of the five packages is 1.841 billion baht if each package has one bidder, compared with 1.8 billion in last year's auction.

The package reserve prices for one bidder are 20% higher than those with more than one bidder.

SATELLITE ORBITAL
SLOT PACKAGES
FOR AUCTION

Packages	Former reserve prices (Million baht)	New reserve prices (Million baht)	
		One bidder	More than one bidder
■ 50.5/51°E	676	522	374
■ 78.5°E	366	503	360
■ 119.5/120°E	392	547	397
■ 126°E	* 364	8	8
■ 142°E		259	189

Remark: *In the aborted auction last year, both 126°E and 142°E were put in Package 4 with a reserve price of 364 million baht.

Source: NBTC

BANGKOK POST GRAPHICS

"If each package has more than one bidder, the combined reserve price will be 1.329 billion baht," said AM Thanapant.

The draft also stipulates the winner of each orbital slot is obligated to reserve 1% of each slot capacity for state use in the future, he said.

Several participants at the hearing expressed opposition to this obligation.

AM Thanapant said 78.5°E and 119.5°E are expected to be the most desirable slots for prospective bidders, with at least two bidders expected to join the auction.

Ekachai Phakdurong, senior vice-president for strategy and corporate affairs at Thaicom, said the reserve prices are still high compared with the business environment and global trends.

He said many countries set low licence fees, such as 1% in Singapore, 0.8% in Australia, none in Japan

and only 700,000 baht per satellite in Hong Kong.

The NBTC should also prioritise packages according to necessity in an auction, not offering all of them at once, said Mr Ekachai.

"The screening of participating bidders must proceed cautiously, as some slots are critical," he said Mr Ekachai.

The NBTC should strictly adhere to its auction timeline to create confidence among industry players, he said.

AM Thanapant said he is aware of the National Space Policy Commission's resolution that allows National Telecom (NT) to pursue a national satellite scheme that caters to national security and public interests.

NT has been allowed to participate in the bidding or co-investment with the winners of the auction, he said.