

NBTC fails to resolve merger deal

Commissioners seek decision on Oct 20

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The board of the telecom regulator failed to come up with a resolution regarding the merger deal between True Corporation and Total Access Communication (DTAC) at its meeting yesterday, as three of the five commissioners wanted the decision to be made on Oct 20 together with remedy measures.

The commissioners also want more time to look into a new study conducted by an independent advisor.

The National Broadcasting and Telecommunications Commission (NBTC) held a board meeting yesterday to consider the merger deal, following much debate about whether the regulator will decide whether it has the author-

ity to consider approving or rejecting the deal.

At the meeting, two commissioners — Dr Sarana Boonbaichaiyapruk and Torpong Selanon — were determined to vote on the NBTC's authority, but they failed to convince the other three members to proceed with a vote, according to a source at the NBTC who requested anonymity.

The duo said the NBTC's decision procedure has taken too long, the source said.

Dr Sarana, who is also the board chairman, and Mr Torpong said the board does not have the power to consider approving or rejecting the deal, the source said.

However, commissioners Pirongrong Ramasoota, Suphat Suphachalalai and Air Marshal Thanapant Raicharoen want the decision to be made on Oct 20.

The Oct 20 meeting has only one item on the agenda: the True-DTAC

merger and the board's decision on its authority, as well as remedy measures to govern the deal.

Ms Pirongrong and Mr Suphat said the board should also wait for a study of the impact from the deal conducted by international independent advisor SCF Associates, the source said.

The study is scheduled to be submitted to the NBTC on Oct 14.

The study is expected to contain various issues of concern pertaining to the economic impact of the merger, the source said.

The source said the NBTC was pressured by the government to make a resolution regarding its authority to move the procedure forward.

One commissioner said the consideration of all the issues, including remedy measures, should be made all at once at the board meeting on Oct 20, the source said.

"The five then reached a consensus



The labour union of National Telecom and a group of consumer associations express opposition to the merger deal at the NBTC headquarters during the board meeting yesterday.



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TRAIAT VIRIYASIRIKUL
Acting secretary-general, NBTC

to establish a resolution on Oct 20," the source said.

At the Oct 20 meeting, the five commissioners can propose more remedy measures in addition to 14 measures proposed previously by the NBTC's office, the source said.

Trairat Viriyasirikul, acting secretary-general of the NBTC, said because the deal is complicated and could have an impact on the public interest, the board needs to consider all the information cautiously.

The board is also waiting for a study by SCF Associates for deliberation, he said.

Pisut Ngamvijitvong, senior equity research analyst at Kasikorn Securities (KS), said the postponement of the regulatory decision on the merger deal has a marginal negative impact on the share prices of both DTAC and True.

KS is confident the deal will be approved with reasonable remedy measures, he said.

Mr Pisut said if the deal is pushed through, the board will issue remedy measures in line with its duty to protect the public interest.

"Whatever decision it makes, the NBTC board is likely to face legal challenges," he said.

The safest strategy for the board is to just acknowledge the deal and issue remedy measures after, said Mr Pisut.

Once DTAC and True agree to the remedy measures, the tender offer is likely to happen in November, and the share swap would take place in December, he said.

The new shares of the merged firm could be listed on the stock exchange by the end of this year, said Mr Pisut.

"The possibility the NBTC will issue destructive remedy measures is low. The measures will centre on the benefits to consumers instead of weakening the merged firm," he said.

"The remedy measures may touch on wholesale and retail service prices, coverage and quality, and after-sales services."

Mr Pisut said the regulator is unlikely to order the return of spectrum bandwidth or restrict the combination of bandwidths from the two operators as consumers could lose benefits.