

TELECOMS

MVNOs ask NBTC for laxer regulations

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Mobile virtual network operators (MVNOs) have urged the telecom regulator to ease their fixed operating costs, amend burdensome regulations and promote the model as an alternative in the mobile market to foster healthy competition.

The MVNOs' demands include a reduction of numbering fees from two baht a month at present to a lower rate.

In addition, they want the telecom regulator to shorten the holding period for inactive (non-credit top-up) SIM cards in the prepaid system before they are resold in the market to help MVNOs reduce costs for stocking mobile numbers.

The existing registration system of all new SIM cards through biometric identity verification also creates an additional cost

for MVNOs.

An MVNO is a mobile operator that rents cellular networks to provide service.

According to Suroj Lamsam, president of trading conglomerate Loxley Plc, the parent company of Loxley Mobile, which owns the i-Kool brand, mobile users have experienced mobile service provided by MVNOs for the first time since the past decade, led by Samart I-Mobile (a subsidiary of SET-listed Samart Corporation), which already exited the market last year.

But MVNOs have not grown as they should have, due to the challenge of low profits amid fierce competition and little promotional support from the regulator.

MVNOs were introduced to give customers the option to use mobile services that offer a variety of conditions, promotional packages or even a focus on specific cus-

tomers segments or markets that are overlooked by major mobile operators.

Several pain points have discouraged the Thai MVNO segment, despite the businesses' reliance on renting other mobile networks to provide mobile service.

Mr Suroj said the existing numbering fee of two baht per number per month for all operators is a major burden for MVNOs.

More importantly, the telecom regulator imposed a holding period for inactive SIM cards in the prepaid system, requiring mobile operators to carry all expired SIM cards for 90 days so that mobile users can receive incoming calls.

After the first 90 days, operators are still unable to resell the numbers because they are required by the regulator to hold them for another 90 days before reselling.

Skytrain passengers on their mobile phones. Mobile virtual network operators have presented a list of amendments for the regulator to consider. APICHT JINAKUL



The operators have to pay two baht per month for each number for some 180 days after SIM cards become inactive, creating a burden for small players, Mr Suroj said.

"If one operator has 1 million unused mobile numbers in its prepaid system planning to be sold, just 300,000-400,000 numbers can actually be sold because the rest are locked for 180 days," he said.

Loxley Mobile provides mobile service via TOT's 3G network on the 2100MHz spectrum, with only 5,000 active subscribers after eight years of operations.

"We [i-Kool] have booked operating losses in the amount of 1-9 million baht per year," Mr Suroj said.

Loxley Mobile has assigned a few employees to routinely serve i-Kool operations, which are largely automated.

Chaiyod Chirabowornkul, chief executive of White Space, the owner of the Penguin brand, the most active MVNO in market, said the telecom regulator could amend the existing regulations by lowering the numbering fee cap for specific numbers of mobile subscribers, such as 0.50 baht per number per month for the first 2 million of the subscriber base.

This fee structure would not help major operators, as they each have more than 20 million subscribers, but the rate would be lower for the first 2 million subscribers, which could reduce fixed operating costs for MVNOs significantly, Mr Chaiyod said.

White Space entered the market in April 2016. It rents network capacity on TOT's 2100MHz spectrum to provide 3G service to customers. The Penguin brand has 600,000 active users.

The telecom regulator ruled earlier this year that all new SIM card purchases must have bioidentity verification for better security.

Through the existing bioidentity verification system, each new SIM buyer has to provide an ID card for facial recognition or fingerprints upon purchase. The card readers are connected to a mobile phone or PC at the registration location.

For facial recognition, the system will use the regulator's application to verify the buyer's identify against the photograph on the ID card's data chip.

The fingerprint system is more complex and has a higher cost per unit for mobile operators.

Mr Suroj said his company is snagged by the latest registration rules if customers want to buy a new i-Kool SIM card, as the company lacks widely distributed channels for registration.

At Penguin, the company made a deal with 7-Eleven convenience stores

nationwide as a marketing channel for selling Penguin SIM cards.

Buyers can register the SIM card at the stores, but Penguin has to pay a transaction fee to 7-Eleven as well.

Penguin is developing its own mobile app in line with the regulator's registration requirements to facilitate customers and reduce transaction costs for its partner.

Korkij Danchaivichit, deputy secretary-general of the National Broadcasting and Telecommunications Commission, said the NBTC has tried to implement measures to better manage inactive SIM cards, specifically tourist SIMs, since last year.

The aim is to serve foreign tourists who plan to visit Thailand for short periods and use local SIM cards.

Operators would be required to hold inactive tourist SIM cards for only 30 days before reselling inactive numbers into the market.

The NBTC failed to implement the tourist SIM card measure because it was opposed by the Consumer Protection Association and heavily criticised over public concern about tracking tourist SIMs, which could deter tourists and hurt the economy.

Mr Korkij said the NBTC cannot ease the existing registration system, because it helps improve the standards of registration and prevents fraud.