


 บริษัท โทรคมนาคม ธารา จำกัด  
CAT TELECOM PUBLIC COMPANY LIMITED

Current Issues in Competition Policy and Regulation

CAT TELECOM'S Perspectives  
July 14, 2005

ITU Workshop, Bangkok Thailand

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1. CAT Telecom Profile

- ❖ Separated from the PTD and established as a state enterprise in 1976 under the name "The Communications Authority of Thailand (CAT)"
- ❖ Corporatized on 14th August 2003 by splitting its postal and telecom sectors into two separate companies, I.e. Thailand Post Co., Ltd. and CAT Telecom Public Co.,Ltd. respectively

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1. CAT Telecom profile (Con't)

- ❖ Having a status of a public company with a registered capital of 10 billion Baht
- ❖ Wholly- owned by the state at the initial stage
- ❖ Planned to be privatized by listing on the Stock Exchange of Thailand in the near future
- ❖ Authorized to provide telecom services as a successor to CAT
- ❖ Number of employees : 5,647 (June 2005)

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2. Best Practice on Competition Policy

- ❖ Adopt the market-based approaches to the supply of telecommunications services
- ❖ Foster competitive markets to promote :
  - Efficient supply of telecommunication services
  - Good quality of service
  - Advanced services
  - Efficient price
- ❖ Create a favorable climate to promote investment to expand telecommunications networks
- ❖ Protect consumer rights
- ❖ Optimize use of scarce resources

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2. Best Practice on Competition Policy (con't)

- ❖ The Regulating Process
  - Fairness
  - Consistency
  - Timeliness
  - Transparency

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### 3. CAT TELECOM's Thoughts on Current Regulatory Issues

#### 3.1 Licencing

- Limited number of network/facilities-based operators
- Liberalization of service-based operators

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#### 3.2 Numbering Plan

- Numbering assignment criteria/procedure
- Early number portability implementation
- ENUM

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#### 3.3 Interconnection Regime

- Equal access
- Cost-based interconnection charge
  - Benchmarking method at the initial stage
  - Forward looking incremental costing method at the later stage
- NTC's ruling on the access charge

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#### 3.4 Radio Spectrum Assignment

- Beauty contest vs. Auction approaches
- Experience of European carriers on 3G licence auction
- WiMAX spectrum

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#### 3.5 USO

- Universal service or universal access concept
- Competitive bidding approach vs. mandatory selection approach
- All operators should share responsibility on allocating revenues to USO Fund

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#### 3.6 ICT Convergence

- Technology advancements are taking place faster than regulatory development
- Need to have regulatory standards and practices that are not sector or technology specific
- NTC & NBC Joint Session is the key driver for the effective regulation on converging technologies and services

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### 3.7 Concession Conversion

National Agenda on the Concession Conversion

- Government Policy
- NTC Policy
- Public Opinion

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### 3.8 WTO / FTA

#### WTO Commitment

- Basic Telecom Service Liberalization by 2006
- Foreign ownership in Thai telcos is limited by law

#### FTA with Various Countries

- Greater degree of liberalization
- Free (but fair?) competition between global players and local telcos
- National interests under the hands of foreign entrepreneurs

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### 3.9 Human Resource Development

- Lack of human resource to keep pace with the fast development of ICT sector
- NTC's role to promote the ICT education

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### 4. Point To Ponder

- ✓ The full liberalization of telecommunication market can be a tradeoff between “opportunities for the country development or (hidden) threats to the national interests”.
- ✓ How to have the right mix for Thailand is primarily subject to NTC's vision and maneuver.

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Thank You For Your Attention

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