

TELEPHONE

KANYA UDOMVITID : GUIDELINES FOR DECISION MAKING ON PRIVATE
SECTOR PARTICIPATION IN TELECOMMUNICATION : A CASE STUDY OF 3
MILLION LINE TELEPHONES. THESIS ADVISOR : PROF.KRAIYUDHT
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The objectives of this research are (1) to study about TOT policy on private participation in expanding telephone lines and to work out decision guidelines on choice of private participation, and (2) to compare these guidelines with the government's guidelines.

It is founded that TOT adopts privatization policy because TOT, on its own, cannot supply needed service due to its inefficiency and lack of fund. However, efficiency has to be formulated intervene Term of Reference (TOR.) to maintain consumer-gain and to prevent monopoly rent. The purposes of government intervention are to maximize social welfare, economic fluctuation, and to widely distribute public utility.

There are 3 ways to formulate TOR. The first focus on product. Private producer should satisfy enough number of subscribers both in quantity and quality. The second focuses producer. Private producer must be able to operate this project and not to enjoy monopoly rent. The third focuses the public utility. This TOR. will serve as guideline for selecting private producer.

This thesis also concludes that selecting private producer who proposes the largest number of subscribers is the best approach to select a producer in comparison with the choice on producer who proposes highest revenue shares and producer who proposes minimum service's price.