

Telecommunications - Taiwan

Chunghwa Telecom to Reduce Internet Protocol Peering Fees

September 23 2009

On August 5 2009 the National Communications Commission (NCC) agreed upon a new rate plan for Internet Protocol (IP) peering fees provided by Chunghwa Telecom in order to ease tensions among other internet service providers (ISPs), including Taiwan Fixed Network (TFN).

The dispute began in April 2009 when Chunghwa restricted the bandwidths available to TFN because it had not yet paid its annual fees. TFN claimed that it was being overcharged by Chunghwa. The NCC attempted to solve the dispute by hosting a trilateral meeting and launching an investigation into the matter. The final report concluded that neither company had violated any regulation (for further details please see "[NCC to Arbitrate on Dispute over Internet Protocol Peering Fees](#)" and "[Internet Protocol Peering Fees to be Screened Annually](#)").

According to a spokesman for the NCC, Chunghwa has now agreed to cut its peering fees to other ISPs by an average of 46.8%, effective for the year beginning July 1 2009. The reductions for bulk volume are shown below.

Leased bandwidth (gigabits per second)	Reduction
1 < total bandwidth of ISP < 2	6%
2 < total bandwidth of ISP < 3	11%
3 < total bandwidth of ISP < 5	15%
5 < total bandwidth of ISP < 7	19%
7 < total bandwidth of ISP < 10	22%
10 > total bandwidth of ISP	25%

The NCC hopes that the savings made by the ISPs due to the reduced peering fees will be passed on to consumers. Should the ISPs fail to reduce the fees that they charge customers, the NCC will not require Chunghwa to reduce its peering fees in 2010.

For further information on this topic please contact [Arthur Shay](#) or [David CL Yeh](#) at [Shay & Partners](#) by telephone (+886 2 8773 3600), fax (+886 2 8773 3611) or email (arthur.shay@elitelaw.com or david.yeh@elitelaw.com).

The materials contained on this website are for general information purposes only and are subject to the [disclaimer](#).

ILO is a premium online legal update service for major companies and law firms worldwide. In-house corporate counsel and other users of legal services, as well as law firm partners, qualify for a free subscription. Register at www.iloinfo.com.

Authors

[Arthur Shay](#)



[David CL Yeh](#)

