

Telecommunications - Taiwan

Identical pricing for local and mobile calls from 2011

Contributed by [Shay & Partners](#)

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On April 28 2010 the National Communications Commission (NCC) approved a policy to shift the right to determine the price of a local-to-mobile phone call from the mobile operators to the fixed network operators from January 1 2011. It is estimated that the price of local-to-mobile calls could drop by up to 60%. The NCC held a hearing on May 18 2010 to solicit public opinion on the change.

The policy was initiated in mid-2007 and confirmed at the end of that year (for further details please see "[Radical changes expected following call pricing overhaul](#)" and "[Price of local-to-mobile calls to drop substantially](#)"). At present, Chunghwa Telecom controls almost all local phone businesses; there are five mobile operators including second-generation (2G), third-generation (3G) and digital low-tier cordless networks. In its latest announcement the NCC reconfirmed the aims of the policy: that the new pricing mechanism conform with the movement of digital convergence, consumer protection practices and fair market competition and align with international regulatory trends. According to the commissioner of the NCC, consumers will no longer have to worry about price discrepancies between local-to-mobile calls and mobile-to-local calls, and the problem of differing prices of local calls to various 2G and 3G mobile operators will also be solved. From 2011 the standard price of local-to-mobile and mobile-to-local calls will be NT\$5.163 per minute and the discounted price will be NT\$2.581 per minute; this applies to both 2G and 3G networks.

To implement the new policy, the NCC has completed draft revisions to Article 20 of the Regulations Governing Network Interconnection among Telecommunications Enterprises and Article 12 of the Regulations Governing Tariffs of Type I Telecommunications Enterprises. However, the draft revisions also mandate an interim fee that Chunghwa Telecom must gradually reimburse mobile operators for the revenue lost caused by the change in policy for six years. In addition, the draft revisions require that the new price of local-to-mobile calls which Chunghwa Telecom will apply in 2011 should not be higher than the existing price implemented by mobile operators at the end of 2010, in order to protect consumer interests.

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