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## Telecommunications - Taiwan

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### Ministry and NCC warming up for 4G licences

Contributed by **Shay & Partners**

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Hopes have been raised for an earlier launch of fourth-generation (4G) operations by the news that the Science and Technology Advisory Group of the Executive *Yuan* is coordinating with the Ministry of Transportation and Communications and the National Communications Commission (NCC) on plans to use the 700 megahertz (MHz) spectrum – used by the military – or idle frequency bands around 2.6 gigahertz (GHz) for 4G services.

Long-Term Evolution (LTE) is an advanced version of the Global System for Mobile Communication (GSM). On December 6 2010 the International Telecommunications Union officially designated it as a 4G technology. Whereas the term '3G technologies' refers to the provision of voice and data communications on the same wireless network, the 4G era will be characterised by full data networks. 4G provides increased bandwidth and an internet connection speed that is at least 10 times faster than third-generation (3G) services. There are two main 4G standards – LTE and worldwide interoperability for microwave access (WiMAX) – but LTE is the mainstream global standard and is used in both Europe and the United States. The appeal of 4G lies in its transmission speed, which is faster than commissioned WiMAX services. This essentially provides users with mobile broadband, allowing access to multimedia content.

According to the licensing plan approved by the Executive *Yuan* on November 12 2010, second-generation (2G) licences will be extended to June 2015, when the spectrum will be recovered and re-released in July 2015 for technology-neutral 4G licensing. However, a recent speech by Chu Ching-yi, the minister without portfolio and head of the Science and Technology Advisory Group, strongly recommended that Taiwan accelerate its licensing operations in order to catch up with countries (eg, its regional competitor South Korea) that have already launched 4G services. *United Daily News* has reported an unidentified source as saying that the licensing process will be conducted on an 'N+1' model – adding one new operator to the incumbents. A total of six licences would be granted by 2013, two years ahead of schedule. The recipients would be the three major players – Chunghwa Telecom, FarEasTone and Taiwan Mobile – plus Asia Pacific Telecom, Vibo Telecom and one new operator, which would supply Type I telecommunications services.

Internationally, 4G uses either 700 MHz or 2.6 GHz. The United States uses 700 MHz. The press report suggested that the ministry has two proposals. One is to use the 700 MHz spectrum, which is largely used by existing terrestrial television stations and for military applications; the other is to use the vacant 2.6 GHz spectrum. The chosen spectrum resources will be released along with the 900 MHz and 1800 MHz bands recovered from 2G services. Accommodating measures may be implemented to encourage 2G operators to return frequencies earlier, without extending their licences, or to allow "forthright 4G utilisation".

The ministry and the NCC have responded to enquiries by the legislature, confirming in their official December 5 2011 reports that any changes to the approved licensing plan will depend on the final decision of the Executive *Yuan*, as well as further coordination among relevant agencies. The ministry has confirmed that the agencies are discussing requests from WiMAX operators for

consolidation or alternative adoption of other technologies, such as TD LTE. The ministry is also planning the remaining 100 MHz bandwidth for 2.6 GHz.

As for the timing and procedure for 4G licensing, the ministry has advised that it is soliciting comments from the NCC and the Ministry of Economic Affairs.

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