

Winners in round two of Taiwan's 4G spectrum auction announced

December 23 2015 | Contributed by [Shay & Partners](#)

Auction winners and bid details 4G spectrum heats up

Taiwan's National Communications Commission (NCC) recently announced the five winners of the 2,600 megahertz (MHz) spectrum licence auction, which ended on December 7 2015. The government will receive a total of NT\$27.925 billion (approximately US\$8.72 billion) from the five awarded winners. This amounts to 193.9% of the base price of NT\$14.4 billion (approximately US\$4.5 billion) for a total bandwidth of 190MHz to be released in 2016.

Auction winners and bid details

Winner	Spectrum and base price	Final bid	Total
Chunghwa Telecom	D2 (NT\$3.7 billion): <ul style="list-style-type: none"> • 2,520MHz to 2,540MHz; and • 2,640MHz to 2,660MHz. 	NT\$6.950 billion	NT\$9.955 billion
	D4 (NT\$1.9 billion): <ul style="list-style-type: none"> • 2,560MHz to 2,570MHz; and • 2,680MHz to 2,690MHz. 	NT\$3.005 billion	
Taiwan Star	D1 (NT\$3.5 billion): <ul style="list-style-type: none"> • 2,500MHz to 2,520MHz; and • 2,620MHz to 2,640MHz. 	NT\$6.615 billion	NT\$6.615 billion
	D5 (NT\$0.9 billion): <ul style="list-style-type: none"> • 2,570MHz to 2,595MHz (inclusive of guard band: 2,570MHz to 2,575MHz). 	NT\$2.25 billion	
FarEasTone	D3 (NT\$3.7 billion): <ul style="list-style-type: none"> • 2,540MHz to 2,560MHz; and • 2,660MHz to 2,680MHz. 	NT\$6.95 billion	NT\$9.13 billion
	D6 (NT\$ 0.7 billion): <ul style="list-style-type: none"> • 2,595MHz to 2,620MHz <p>(inclusive of guard band: 2,615MHz to</p>	NT\$2.18 billion	



2,620MHz).

The auction began on November 17 2015. On November 25 2015 one of the top three major 4G operators, Taiwan Mobile, quit because the bid price was too high and it already had sufficient frequency bands for 4G services. Critics have commented that Taiwan Mobile has entered into a strategy alliance with Foxconn Group by swapping board seats and has formed a business coalition with Asia Pacific Telecom. Despite its surprising withdrawal from bidding on the 2,600MHz band, Taiwan Mobile plans to bid at the upcoming 2017 auction for the 2,100MHz band.

Unsurprisingly, Chunghwa Telecom remains the biggest winner in the auction for frequency bands assigned for 4G Long-Term Evolution (LTE) services since 2014. FarEasTone has committed to obtaining numerous frequency bands, allowing operation of both frequency division duplex-LTE and time division duplex-LTE services. Wireless broadband access (WBA) services ended in November 2015 and FarEasTone subsequently took over the WBA subscribers.

4G spectrum heats up

Taiwan has more than 10 million users subscribing to 4G LTE services thanks to fierce competition among the five 4G operators and significant promotion of a flat rate on the all-you-can-eat model (even though it is clearly destructive to respective competitors' profit and loss accounts).

Competition drives operators to a point of no return, but it makes them hungry for increased spectrum as soon as it becomes available.

In November 2015 the NCC disclosed its proposed measures for the secondary trade of spectrum rights, pending public consultation. This is expected to boost trading between existing 4G operators which are spectrum listed for mobile broadband licences; and could even eventually drive smaller providers with fewer resources from the market.

For further information on this topic please contact [Arthur Shay](#) at Shay & Partners by telephone (+886 2 8773 3600) or email (arthur@elitelaw.com). The Shay & Partners website can be accessed at www.elitelaw.com.

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