

Telecommunications - Taiwan

NCC abandons WiMAX

Contributed by **Shay & Partners**

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Further to the auction in October 2013, which released a total bandwidth of 270 megahertz (MHz) for mobile broadband services (for further details please see "[4G spectrums turn hot](#)"), the National Communications Commission (NCC) announced that no less than 190MHz from the 2600MHz bands currently used by wireless broadband access operators would be available for mobile broadband services by the end of 2014.

On March 31 2014 the NCC and the Ministry of Transport and Communications jointly stated that, through a competitive tender, they have planned third-generation partnership project Band 7 and Band 38 for the 2600MHz bands. The number of mobile broadband services licences and the available frequency assigned to each licence will be announced after a decision is made by the Executive *Yuan*. The NCC welcomes participation by the six new 4G operators (the winners of the October 2013 auction) in the upcoming competitive tender. However, the NCC has specifically stated that all existing wireless broadband access operators in the 2600MHz bands must participate in the competitive tender and bid for sufficient spectrum required to sustain their existing operations; otherwise, they must withdraw from the market once their wireless broadband access operator licences expire.

This is a sudden change to the NCC's worldwide interoperability for microwave access (WiMAX) operation policy. The existing wireless broadband access rules expressly encourage operators to consolidate and aim for sizeable operations at a national level. The six-year licence period should therefore be extended to a 10-year period immediately on consolidation. However, the NCC has now changed its mind and made clear that it will no longer approve any merger or consolidation among WiMAX operators, or grant licence renewals on any applications, as it believes that all WiMAX operators have inefficient spectrum use on the 2600MHz bands.

According to the latest information released by the NCC, the total subscriber base of all WiMAX operators is under 120,000.

A wireless broadband access licence has a six-year term and is renewable once on expiration. The six current licences will expire respectively in December 2014, December 2015 and March 2016, unless renewal is granted before their expiration. From April 11 2014, three out of the six licensed WiMAX operators completed their consolidation, pending NCC approval.

It is generally believed that this is tantamount to a death sentence for wireless broadband access operators and a formal relinquishment of the WiMAX policy that the NCC pushed forward between 2006 and 2012.

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