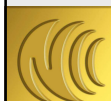




WiMAX Licensing Practice - The Chinese Taipei Case

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National Communications Commission

Outline

- ◆ ***NCC and it's Mandates***
- ◆ ***WBA (WiMAX) Regulatory Policy and Licensing Mechanism***
- ◆ ***Conclusion***



NCC

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NCC and it's Mandates

◆ **On February 22 2006, the National Communications Commission (NCC) became operational.**

⇒ **Laws and regulations dealing with communications**

- *The Telecommunications Act*
- *The Radio and Television Act*
- *The Cable Radio and Television Act*
- *The Satellite Broadcasting Act*

all came under the official responsibility of the NCC.

⇒ **The corresponding powers originally under**

- *The Ministry of Transportation and Communications (MOTC)*
- *The Government Information Office (GIO)*
- *The Directorate General of Telecommunications (DGT)*

have all transferred to the NCC. This also applies to other laws and regulations that have come under the official responsibility of the NCC.



NCC

~ Article 2 of the NCC Organization Act

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WBA (WiMAX) Regulatory Policy and Licensing Mechanism



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Policy Considerations for WBA

“Encourage the development of new communication technologies and services” ~ Article 6 of the Fundamental Communications Act

⇒ **The opening scheme for Wireless Broadband Access (WBA) service :**

➤ **Major goals:**

- Promote the development of wireless businesses
- Enable a sound environment for the development of novel communications technologies
- Ensure fair competition and the future development of this service
- Provide opportunities for prospective operators

➤ **Licensing approach: hybrid of beauty contest & auction**

➤ **Licensing principles :**

- Lower threshold
- More operators
- Shorter terms



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WBA Spectrum Allocation

◆ **2.5GHz to 2.69GHz released for mobile WBA**

◆ **Two-phase license issuance**

⇒ **Phase one**

➤ **Spectrum release**

- 90MHz

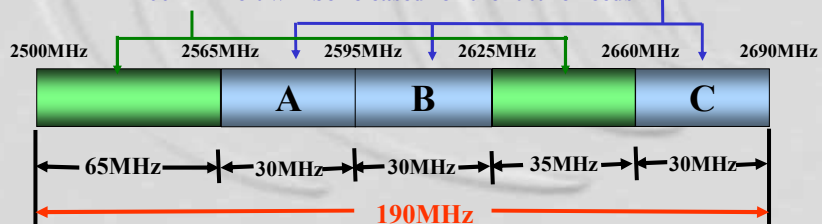
➤ **license issuance**

- 6 regional licenses: (3 each for north and south region)

⇒ **Phase two**

➤ **Spectrum release**

- 100MHz left will be released for the future needs



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Licensing Framework for WBA

⇒ Regional Licenses

- Valid Period of Licenses
 - 6 years & can be renewed only once
- licenses may be merged and converted to a nationwide license
- Each licensee will be assigned a 30-MHz with no guard bands for TDD use
- each application cannot be granted more than one license

⇒ Two Licenses were Chosen as the Priority bidding

- Adopted IEEE 802.16e technical standard
- Limited to non-dominant operators in the Type I Telecommunications business

⇒ The requirements for applicants

- According to Telecommunications Act
 - the chairman shall be a national
 - the total direct shareholding by foreigners <49%
 - the sum of direct and indirect shareholding by foreigners <60%

~ Regulations on Wireless Broadband Access Services



Licensing Process for WBA (1)

◆ First Stage(1/2) : Beauty Contest

- ⇒ A Panel was set up to determine the qualification of the applications
 - 11 panelists – experts in finance, engineering, communication, or industrial economics
 - 3 commissioners, 2 government officers, and 6 professors
- ⇒ Items and the proportion for the review :
 - Business planning book : 80 points
 - Network deployment and technology ability (28 points)
 - Service and operation planning (23 points)
 - Financial planning (23 points)
 - Planning for protection of rights of subscribers (6 points)
 - Other items (5 points)
 - ⇒ Face - to face talk : 20 points
- ⇒ The applicant which passes the reviewing process (over 75 points) will become qualified bidders.



Licensing Process for WBA (2)

◆ First Stage(2/2) : Beauty Contest

⇒ 13 applicants applied for WBA service

8 qualified bidders after qualification review



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Licensing Process for WBA (3)

◆ Second Stage : Auction

⇒ Limited multi-round bidding

- Qualified applicants - 10 or more
 - Adopt maximum of 10 rounds of bidding
- Qualified applicants - less than 10
 - Adopt single round of bidding

⇒ Bidding object

- Refer to a percentage to multiply by the annual income of the WBA service as the calculation of charter fee

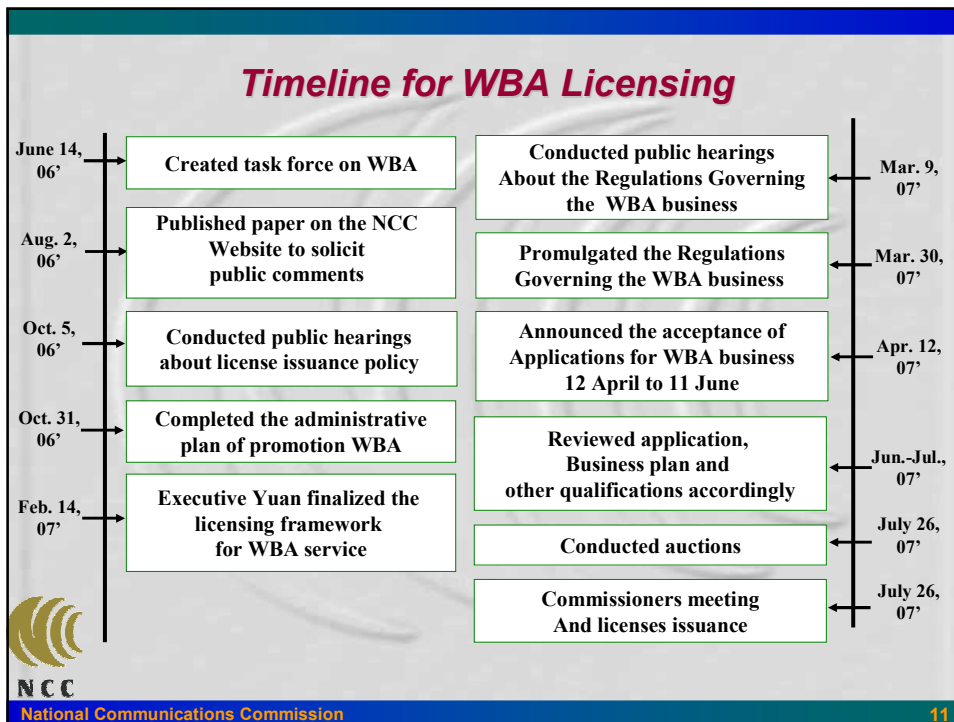
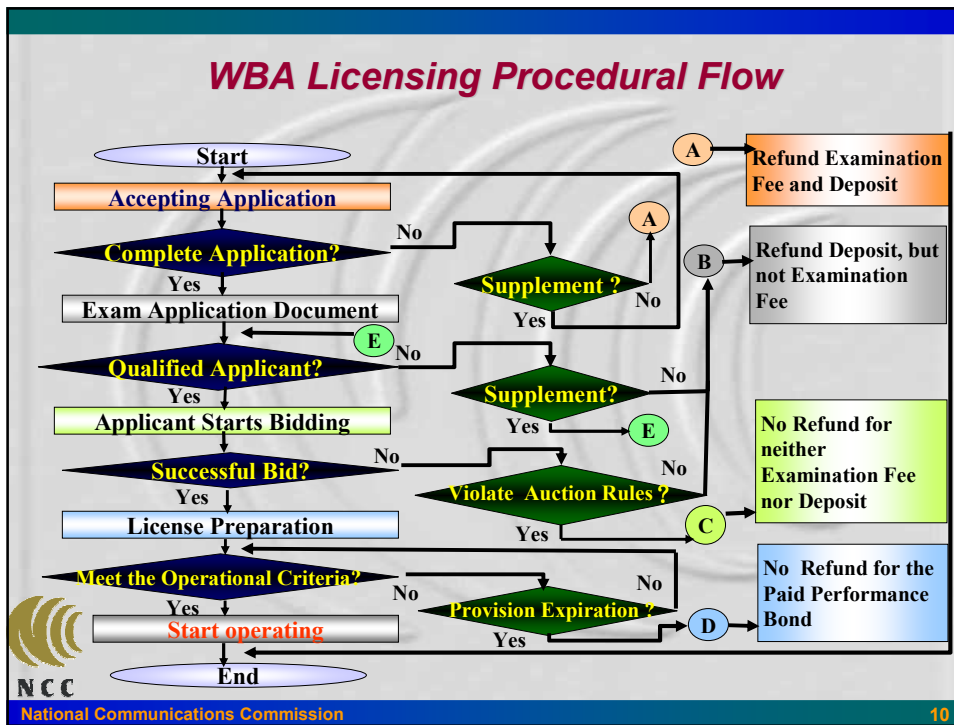
6 winning bidders were announced on July 26, 2007



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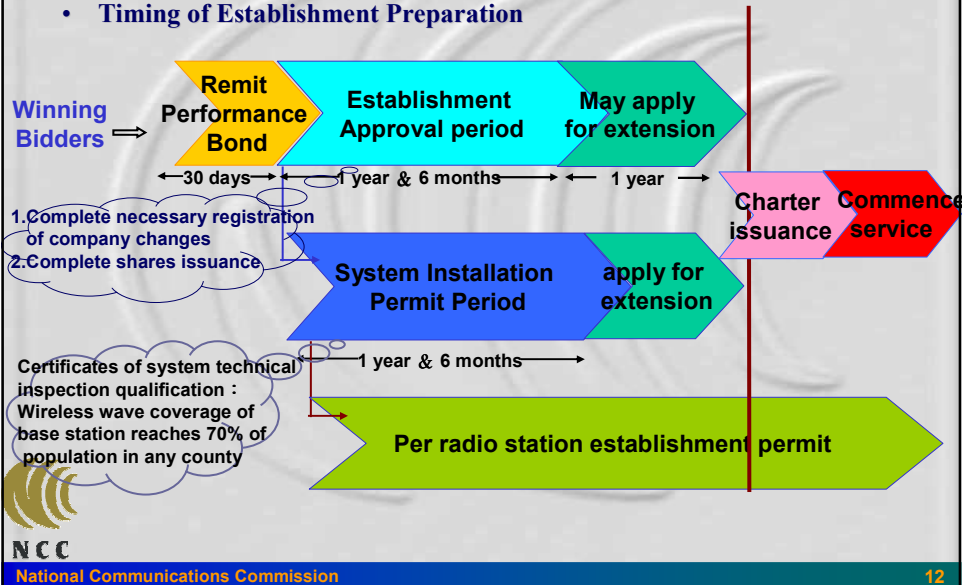
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Preparation for Establishment of WBA Business

- Timing of Establishment Preparation

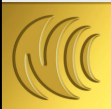


Conclusion

- ◆ **NCC's 3C: Competition, Convergence and Consumer Protection**
- ◆ **"Regulations on Wireless Broadband Access Services" is accessible on NCC's website (www.ncc.gov.tw/english).**



Thank you for Your Attention!



National Communications Commission