

Telecoms - Taiwan

2600 megahertz band to be released for auction

Contributed by **Shay & Partners**

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In June 2015 the National Communications Commission (NCC) completed its plan for the band which is currently used for wireless broadband access (WBA) services and its adjacent band – that is, 2,500 megahertz (MHz) to 2,690MHz. This will now be used to offer mobile broadband communication licences for fourth-generation (4G) long-term evolution (LTE), following the previous successful auction conducted in November 2013. The number of 4G LTE subscribers in Taiwan has risen to 6 million since the first commercial launch in June 2014. According to the NCC's schedule, it is expected that the auction will be conducted in October 2015 and the spectrum will be awarded by the end of 2015. The licences will expire at the end of 2033.

The total base price for the 2600MHz band has been determined by the NCC was NT\$14.4 billion, far below the previously estimated NT\$25 billion based on a budget planned by the Executive *Yuan*. The NCC has highlighted technology neutrality and the adoption of harmonised and standardised bands (Third-Generation Partnership Project (3GPP) Band 7 in conjunction with Band 38). However, incumbents have expressed concern that WBA services on the same band (previously offered by six operators nationwide and now only one operator in northern part of the island) will inevitably interfere with the upcoming deployment of frequency division duplex LTE. Global Mobile Corporation, the only surviving WBA operator, filed for approval of changes to its system deployment plan and was granted permission to operate a time division LTE service with the installation of around 1,800 small cells conforming to Worldwide Interoperability for the Microwave access 2.1 standard before October 2015. In June 2015 Global Mobile Corporation also filed for a six-year renewal of its WBA licence, which is set to expire in December 2015. It is unclear whether the NCC will issue its decision on the licence renewal before the 2600MHz band auction officially kicks off in October 2015.

While the NCC encourages the deployment of 4G mobile broadband services through the installation of more small cells across the country, operators are subjected to the harshest possible conditions set by local authorities for the co-location of base stations. This difficulty remains a potential threat to the outcome of the upcoming auction.

According to the NCC's latest announcement, amendments to the Mobile Broadband Service Regulation entered into effect on July 17 2015 and rules for the upcoming auction are now available.

The NCC has estimated that six licences will be awarded subject to the final outcome of the auction in October 2015. Each bidder can have up to 70MHz.

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