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Commission revises 4G network sharing rules

By Shelley Shan / Staff reporter Thu, Jul 09, 2015 - Page 4

Fourth-generation (4G) telecom service operators can share core networks, provided they first change their business plans and receive official approval, the National Communications Commission (NCC) said yesterday.

The issue was discussed yesterday in relation to the case of Asia Pacific Telecom offering 4G services via a network built by Taiwan Mobile.

The firms claimed to have a roaming agreement, but were each fined NT\$300,000 in February for failing to report the alliance to the commission.

Last week, the commission fined Asia Pacific Telecom NT\$300,000 for failing to fulfill service commitments as stated in its business plan and for not applying for changes in its business plan as legally required.

Prior to yesterday's discussion, the commission determined that Asia Pacific Telecom simply used the core network constructed by Taiwan Mobile to offer 4G services, which is different from how normal roaming agreements work.

The discussion helped set the principles for how the commission would handle similar cases in the future, commission spokesperson Yu Hsiao-cheng (虞孝成) said.

Even though the commission has decided to allow 4G operators to share the use of a core network, this does not mean that one carrier can simply use another carrier's network without building or using its own network at all, Yu said.

"The carrier that wants to use a network built by another and the telecom firm that allows a second carrier to use its network must first apply for changes in their business plans, which must be approved by the commission before they can share a network," Yu said.

Taiwan Mobile is to be penalized as well under the principles laid out yesterday, as it failed to apply for changes to its business plan when it allowed Asia Pacific Telecom to use its network, Yu said.

Although Article 11 of the Telecommunications Act (電信法) is widely perceived as a mandate for telecom companies to build their own network, Yu said that the legislation is

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intended to make sure that any exception to such a principle would not contradict other articles in the act.

"Based on the same article, some first-tier telecom firms can lease backhauls from other carriers or use coordinated radio access network to offer service. It does not mean that every signal landline must be constructed by the carrier itself," Yu said.

Despite the permission, Yu said that those applying for permission to lease their core networks to other carriers must meet several additional criteria before they are allowed to do so.

For example, carriers must build at least 1,000 base stations and establish a coverage area of greater than 50 percent, he said.

"They must also demonstrate that they have sufficient capacity to handle the increase in communication volume caused by sharing the network with other carriers and that the service quality would not be compromised," Yu said.

Yu said a carrier must also gradually reduce its reliance on another carrier's network.

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