

NATIONAL COMMUNICATIONS COMMISSION

Administrative Plan

2006

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Chapter 1. Introduction

The National Communications Commission (NCC) is the first independent agency, set up on February 22, 2006 pursuant to the Organizational Standards Of Central Administrative Agencies Law, that independently carries out its own functions and operations. In accordance with Article 11 of the National Communications Commission Organization Act (NCC Organization Act), the personnel of the NCC are current employees from the Directorate General of Telecommunications (DGT) of the Ministry of Transportation and Communications (MOTC) and the Department of Radio and Television Affairs (DRTVA) of the Government Information Office (GIO).

After its creation, the NCC immediately began to formulate our administrative plan 2006 based on intentions of the Communications Basic Law and the NCC Organization Act. With different missions, the NCC created four working groups and three task forces that discussed the administrative plan for 53 times. To hear the opinions of those in the media, industry, academia and consumer groups, the NCC also held a series of six consultative meetings. In addition, it also consulted the plan of foreign regulatory peer agencies, for example, the US FCC and the British OFCOM, to pull together issues and requirements, to set up a priority list, to formulate plans and then to integrate all the material. After six Commissioner's meetings of comprehensive review of the information, the final administrative plan was decided.

The NCC fully reviewed and conducted strategic planning and analysis of all the concrete suggestions made in the course of consultations. These suggestions included the regulation of base stations, a mechanism for adding and eliminating cable TV channels, cross-sector operation, promotion of fair market competition, deregulation and the rights and interests of the disadvantaged groups. But owing to the pressure of time, the lack of personnel and the limited resources, the NCC could impossible to put all suggestions in the plan. In addition, the NCC gave due consideration to the principle of policy continuity, and then carefully reviewed and weighed all the annual plan's items and budgets originally drafted by the DGT and the DRTVA. In line with the principles of the Communications Basic Law, the NCC also gave the items new significance and new look as much as possible.

In the working process, the NCC consulted the stipulations of the "Regulations for Formulating and Reviewing Annual Projects of Subordinate Agencies of the Executive Yuan" and the "Key Items in Formulating and Reviewing 2006 Annual Projects of Subordinate Agencies of the Executive Yuan", then drafted the "Guidelines for Preparing the National Communications Commission Annual Administrative Plan" in advance as the touchstone for preparing the plan.

Although this administrative plan is written to be implemented in 2006, the content of various sub-plans requires planning promotion that goes beyond one year, and even up to three years

of the Commissioners' tenure, so the actual content of the administrative plan in some cases is of a medium and long-term nature. With regard to setting up Gantt charts, individual unit work responsibilities and performance indicators for the various plans, as well as supervision and evaluation methods, the NCC has completed its planning and at the year-end will write a performance report as stipulated in Article 13 of the Communications Basic Law, make it public on its own initiative and file a copy to the Legislative Yuan.

Chapter 2. Goals and Vision

Based on the legislative spirit of Article 1 of the Communications Basic Law “accommodate the convergence of technology, encourage the sound development of communications, safeguard the rights of citizens, protect the interests of consumers and promote cultural diversity”, and Article 1 of the NCC Organization Act “implement the Constitutional guarantee of free speech; scrupulously maintain the spirit of political parties, the government and the military withdrawing from the media; promote the healthy development of communications; preserve the independence of the media; effectively exercise regulation on communications; ensure fair and effective competition in the communications market; protect the consumer and respect the rights of the disadvantaged; promote the balanced development of pluralism; and increase national competitiveness”, the NCC's current goals can be classified into four major categories: **(1) promote effective competition in digital convergence, (2) encourage the sound development of communications, (3) safeguard the rights and interests of the people and the consumers, and (4) raise multicultural level and respect for the disadvantaged.**

These four goals are intimately bound up with one another in substance and function. Their practical significance is:

- (1) **Promote effective competition in digital convergence** - as the basic concept to promote convergence of communications, data and audio-visual content, and to expand the market entry as well as to introduce effective competition.
- (2) **Encourage the sound development of communications** - as a criterion for being a “smart regulator” to make good use of limited administrative resources, and to use the minimum intervening methods to achieve the maximum regulatory benefit.
- (3) **Safeguard the rights and interests of the people and the consumers** - as the core value for an information society in the 21st century to pursue a free development of personality and a democratic constitutional order.
- (4) **Raise multicultural level and respect for the disadvantaged** - as a main policy axis to respond to current society needs and diverse values.

Based on the four policy goals, the NCC have sketched out an administrative vision which can be summed up as follows: “Construct a communications environment with digital convergence, fair competition, sound development and excellent content”.

Chapter 3. Administrative Plan Summary

Aside from setting up goals, a modern independent regulatory agency must select, assess, design and utilize effective policy tools, from drafting and revising laws and regulations to various administrative activities, and so on. Under four overall goals, this administrative plan has set up 28 separate priorities and 50 plan items, and the implementation of each item involves many plans and proposals of detailed administration. In addition, different priorities and plan items must frequently tie in with one another, thus details must fall into place once the overall direction is set. The NCC personnel especially must take the “macro view” and have a good grasp of how the items and actions relate in terms of methodology and sequence before they can achieve the maximum benefit with limited resources. The administrative goals, priorities and plan items were presented as tabled below, and with a summary of each that follows:

Goal	Emphasis	Items
I. Promote effective competition in digital convergence	A. Expand market entry.	<ol style="list-style-type: none"> 1. Liberalize entry into the fixed-line network market. 2. Open up cable TV cross-regional operations.
	B. Promote Competition	<ol style="list-style-type: none"> 1. Effectively promote leasing of local loops. 2. Formulating Concrete Criteria for Revising in Pricing Power to Operators Providing Call Origination 3. Implement wholesale pricing among Type I telecommunications dominant market players. 4. Implement control room co-location for Type I telecommunications businesses. 5. Assist fixed-line operators to obtain right-of-way and coordinate with the MOTC to lower user fees. 6. Improve Type II telecommunications inter-connectivity (TWIX)
	C. Draft and revise laws and regulations.	<ol style="list-style-type: none"> 1. Abolish or revise unnecessary regulatory legislation. 2. Responding to urgent industry needs, complete revision of laws on small scale. 3. Responding to the needs of digital convergence, complete a comprehensive revision of the Telecommunications Act and the three radio and
	D. Promote wireless broadband access and utilization.	<ol style="list-style-type: none"> 1. Spectrum planning. 2. Complete required legal work for releasing frequencies.

Goal	Emphasis	Items
	E. Promote development of a digital platform.	<ol style="list-style-type: none"> 1. Promote development of a digital video platform. 2. Promote experimental trial DVB-H broadcasts. 3. Continue to promote cable TV digitalization. 4. Supervise the Telecom Technology Center in creating an interoperability lab.
	F. Strengthen information and communications security	Establish technical standards and a regulation system for information and communications security.
	G. Enhance international engagement	<ol style="list-style-type: none"> 1. Promote international exchanges and cooperation in communications. 2. Promote an international mutual recognition arrangement on test certification for telecommunications equipment.
II. Encourage the sound development of communications	A. Effective radio and TV license issuing and renewal.	<ol style="list-style-type: none"> 1. Replace the two-track system: streamline the renewal process for radio and TV licenses. 2. Open the eleventh batch of FM broadcast frequencies.
	B. Promote VoIP interconnectivity.	Promote VoIP interconnectivity.
	C. Promote Rational rates.	<ol style="list-style-type: none"> 1. Promote rational telecom rates. 2. Promote rational cable TV rates.
	D. Effective spectrum regulation.	<ol style="list-style-type: none"> 1. Strengthen regulation of mobile phone base station construction. 2. Optimize the radio spectrum monitoring network. 3. Raise the quality of radio and TV engineering.
	E. Crack down on illegal radio and TV stations.	Crack down on illegal radio and TV stations.
	F. Promote effective use of the spectrum	<ol style="list-style-type: none"> 1. Open up the second digital TV single frequency network. 2. Create a mechanism for frequency secondary trade, take back and reassignment. 3. Create and open up a radio spectrum databank query system.

Goal	Emphasis	Items
	G. Establish principles governing cable TV channel changes.	Establish principles governing cable TV channel changes.
III. Safeguard the rights and interests of the people and the consumers	A. Implement the policy of political parties, the military and the government withdrawal from the media.	Implement the policy of political parties, the military and the government withdrawal from the media.
	B. Universal service, reduce the digital divide.	Promote communications universal service, reduce the digital divide.
	C. Authorize a third party to examine and test telecommunication equipment in buildings.	Authorize professional telecommunication organizations to examine and test telecommunication equipment in buildings.
	D. Safeguard the network user environment	Safeguard the use of the network and the rights and interests of the consumer.
	E. Promote the Internet content rating system.	Promote the Internet content rating system.
	F. Full public participation in oversight for unwholesome content.	Full public participation in oversight for unwholesome content.
	G. Implementation of prepaid phone card mechanism for telecom control.	Increase investigations into illegal phone cards.
	H. Liberalize testing and regulation of non-licensed devices.	Simplify the certification process of consumer telecommunications equipment.
	I. Communications literacy education.	Promote an “expert in communications” project.
	J. Examination of	Examination of telecom business accounts.

Goal	Emphasis	Items
	telecom business accounts.	
IV. Raise multicultural level and respect for the disadvantaged	A. Formulate a policy framework that will foster multiculturalism and respect for the rights and interests of the disadvantaged.	Formulate a “NCC Policy Framework for Fostering Multiculturalism and Respect for the Rights and Interests of the Disadvantaged”.
	B. Create a mechanism for public and private groups to participate in communications regulation.	Formulate a “NCC Action Plan for a Mechanism for Public and Private Group Participation in Communications Regulation”.
	C. Take Care of the disadvantaged to use communications resources.	<ol style="list-style-type: none"> 1. Expand communications preferential schemes for the disadvantaged. 2. Promote an assistance plan for broadband use by the disadvantaged in remote areas. 3. To promote the convenience for visually impaired
	D. Implement public channel access	Implement access to cable radio and TV public access channels and digital radio and TV public channels.

I. Promote effective competition in digital convergence

A. Expand Market Entry

This priority includes two plans: 1. liberalize entry into the fixed-line network market and 2. open up cable TV cross-regional operations. In addition, one plan in another overall goal “Complete communications regulation systems” is similarly this priority “expand market entry”, namely, effective radio and TV license issuing and renewal.

1. Liberalize entry into the fixed-line network market

The promotion of telecommunications liberalization in Taiwan has meant consulting the experience of advanced countries in opening up their markets and adopting a strategy of gradual, phased progress. In addition, it has followed the telecommunications commitments included in the Taiwan-US bi-lateral agreement that was part of Taiwan’s entry into the WTO and has successively opened up the market to businesses in telecommunication enhancement, mobile telecommunications, satellite and fixed-line communications, gradually introducing competition into markets that had been originally monopolistic. By February, 2002 the International Simple Resale (ISR) business was opened up and it could well be said that the Taiwan telecommunications market had reached the stage of total openness. In addition, the

DGT, to coordinate with the MOTC's policy with regard to applications for licenses not involving the use of scarce resources, went from "accepting applications by announcement" to "accepting application on a regularly scheduled basis" and beginning in September 2004 set March and September as the time when applications for fixed-line network operation would be accepted. At the time although the MOTC had also adjusted some of the fixed-line network conditions of operation to foster cross-industry competition, nevertheless the threshold demands for market entry - like application requirements that full circuit be 5 Gbps for International Submarine Cable Leased-Circuit Business, a minimum capital investment of NT\$16 billion for an integrated network license --have not been substantially revised because of consideration being given to ensuring the necessary economic scale and level of construction enabling operators to provide high-quality telecommunications service, as well as the broadband needs of Taiwan's information society. But overseas operators frequently question whether these conditions are or should be normal, and they have become an obstacle to trade of continuing concern to Taiwan's trading partners and are definitely in need of review and revision. Also, to avoid delaying operator business time tables resulting from the inflexibility of "regularly scheduled" periods when applications are accepted, the NCC will in 2007 to open up license applications for fixed-line networks every season and beginning in 2008 will accept applications on a continuing basis.

The NCC hopes to take the occasion of eliminating the restriction in 2006 that the full circuit be 5Gbps in applications to lease out International Submarine Cable Leased-Circuit Business, and conduct a comprehensive review in 2007 of market entry conditions for fixed-line network's local, long-distance, international and integrated businesses and then in 2008 revise the relevant laws and regulations, liberalize the application acceptance period and liberalize market entry conditions overall in order to promote a new wave of investment and competition among more operators fostering the lively development of telecommunications related industries and boosting the level of the entire economy.

2. Open up cable TV Cross-regional Operations

The overall development of cable TV has an enormous impact on the rights and interests of the viewing public. When the question of cable TV franchise areas was commissioned to academics in 1989 for study and planning, the criteria were "one operator per region" and "150,000 subscribers". Later, the natural monopolistic character of this industry led the originally more than 500 broadcast systems and the 156 operators who had received construction permits to give consideration to achieving a certain economic sale to lower costs and avoid harmful competition and in great numbers they integrated, merged or requested their permits be canceled.

Currently there are 51 cable TV franchise areas. (Of these, Kinmen, Lienchiang County, and Kuanshan and Chengkung in Taitung County had no applications so temporarily they are not included as franchise areas, thus the actual number of franchise areas is only 47.) There are 63 system operators (in addition there is one fixed network cross-ownership operator--Chughwa Telecom). Of these, 31 franchise areas have single operators forming monopolies. Add to this the extremely high vertical integration upstream and downstream in cable TV, and some multi-system operators (MSO) have controlled multiple channel line-ups and cable TV systems. Because the entire market is dominated by monopolies or oligopolies, it is impossible to increase the viewing public's power of selection and legislators and the public frequently express the opinion that competition in the cable TV market should be promoted in order to safeguard the rights and interests of the consumer.

In the past the GIO commissioned outside studies of the this issue. The results of these studies concluded that cable TV was a natural monopoly business, that opening up the franchise areas would not necessarily be able to solve the problem of there being just one operator per area. The studies suggested the competent authority adopt an approach of opening up competition in different platforms and step-up control of monopolies. Subsequently, the policies of accelerating assistance for cable TV digital platforms and opening up cross-industry operation of cable TV systems to communications fixed-network operators followed these suggestions. But in light of the trend in digital convergence, the fact that MSO was already being done on a cross-regional basis, and that cross-industry operation of communications was a necessity, the NCC felt it necessary to study the issue of whether the current cable TV franchise areas were too scattered or too small and to research the feasibility of permitting companies to operate on an cross-regional basis to respond to digital convergence trend, to boost competition, increase viewer choice and solve the problem of regional monopoly and oligopoly.

B. Promote Competition

1. Effectively promote leasing of local loops

At the current stage, because local loop of Fixed Telecommunication Network has not yet been declared bottleneck facilities, the unbundled local loop fees can only be determined in accordance with an agreement between the operators of Fixed Network Telecommunications Business according to Paragraph 2, Article 18 of Regulations Governing Network Interconnection among Telecommunications Enterprises. After more than two years of negotiations with operators of Fixed Network Telecommunications Business, Chunghwa Telecom reached agreement in May 2004 with the other three private operators of Fixed Network Telecommunications Business for voice-class local loop and signed the leasing contract. The contract was to run approximately two years and stipulated a monthly fee for

the first year of NT\$200 and for the second year NT\$220. The local dedicated line, in addition, must be separately leased from Chunghwa Telecom at a cost of NT\$200 per month. However, because Chunghwa Telecom makes too high a price for leasing, to date, a total of only less than 100 lines have been applied for and successfully installed by just three private operators of Fixed Network Telecommunications Business. The small number of local loop leased circuits has meant a market competition mechanism has yet to surface. To encourage local network market competition, the NCC intends at the end of this year to hold a hearing on whether local loop should be declared a “bottleneck facility” so that Chunghwa Telecom would have to lease the local loop at the cost-base price, and the operators of Fixed Network Telecommunications Business would be able to make corresponding profit by offering innovative local call services, so as to achieve a diverse telecommunications environment. It is expected that the implementation of this measure will give consumers more choices among a variety of different companies and an increased variety of local call services.

2. Formulating Concrete Criteria for Revising in Pricing Power to Operators Providing Call Origination

“Transportation and Communications Policy White Paper” of The MOTC and “Telecommunications Liberalization Policy White Paper” published in January, 2002 noted that: “After sufficient competition has been established in the local telephone market, the principles of pricing and belonging of cross-network telecommunications fees will be adjusted. Its prices will be determined by operators providing call origination and revenues will belong to operators providing call origination”.

To determine the appropriate time for pricing power to revise to operators providing call origination, the DGT on January 21, 2005 issued its first “consultation document” soliciting public comment. After compiling and editing opinions from all sides, the DGT invited operators to a symposium on May 9, 2005, which produced the following conclusion: “Currently it is not yet the appropriate time to have pricing power revise to operators providing call origination. In addition, in the future the implementation of mechanisms to foster ample competition in the local telephone market, like local telephone coverage, number portability of local network business, lease of local loop and co-location, will be used as indicators in assessing whether or not perfect competition has been achieved in the local telephone market”.

To promote the policy of pricing power for cross-network telecommunication fees reverting to the outgoing side, the NCC will over a period of two years issue a second consultation document and hold a second hearing for the purpose of publishing concrete criteria for determining the values of local telephone coverage, the figures of lease of local loop, the

number of co-location, the completion rate of number portability and thus to effectively foster competition in the local telephone market.

3. Implement wholesale pricing among Type I telecommunications dominant market players

In accordance with Sub-paragraph 9, Paragraph 1 of Article 26-1 of the Telecommunications Act and the Administrative Regulations Governing Tariffs of Type I Telecommunications Enterprises revised January 11, 2006, implement wholesale pricing among Type I telecommunications dominant market players.

To foster competition in the telecommunications market, safeguard the rights of the public, and guarantee the rights and interests of the consumer, the NCC will set up a wholesale pricing system for telecommunications market/specific services to foster market competition and lower the operating costs for non-dominant players in the telecommunications market, and enliven the market.

4. Implement control room co-location for Type I telecommunications business

To set up a network infrastructure, new fixed-line network operators submitted a joint demand to Chunghwa Telecom in February, 2005, to provide space for 12 control rooms and co-location at the Danshuei undersea cable station. But after three months, the sides were still unable to reach an agreement. The fixed-line network operators then appealed to the DGT for a ruling pursuant to the stipulations of Article 28 of the Regulations Governing Network Interconnection among Telecommunications Enterprises. The DGT issued its ruling on November 11, 2005 as follows (precis): Chunghwa Telecom shall mark out an appropriate location for a co-located control room; it shall also, within six months of receiving this opinion, complete two co-located control rooms for three fixed-line network operators that shall be a model for the remaining co-location venues, for which co-located control rooms shall be set up in turn. Chunghwa Telecom shall operate on the principles of cost-oriented construction and fairness and provide to the three fixed-line network operators data on all expenditures, items and monetary amounts associated with the co-located interconnection control room. The NCC will complete 12 co-located control rooms by the end of this year based on these principles.

In addition, with regard to co-located control rooms for mobile telecommunications, this will be done along the lines of those for fixed-line network operators. Taiwan Cellular Corporation and Chunghwa Telecom, after more than three months of negotiations, were able to reach an agreement on co-located network interconnection control rooms and on February 24 an appeal was made to the NCC to issue a ruling. The NCC will conduct a tribunal before

the end of June of this year (2006) and will set up a standard operating procedure (SOP) for the co-location issue.

5. Assist fixed-line operators to obtain right-of-way and coordinate with the MOTC to lower user fees

In accordance with Paragraph 6, Article 32 of the Telecommunications Act when Type I telecommunications enterprises construct their conduit infrastructure, the central and local government authorities shall give assistance. In accordance with Paragraph 7 of the same Article, regarding the new construction of conduit infrastructure and terminal equipment, Type I telecommunications enterprises shall jointly establish a Conduit Infrastructure Deployment Negotiating Group which shall negotiate matters related to the planning, application, construction and facilities-sharing of conduit infrastructure. If necessary, the MOTC may mediate the aforementioned matters.

In order to maintain the quality of roads and guarantee a free and safe traffic flow to the public, and to also reduce the wasting of resources, local county and city government departments in charge of right-of-way issues stipulate that for three years following the building of a new road or widening of an existing road or for one year following the rebuilding and improvement of a road, no applications may be made for digging up the road. Therefore, if conduit construction applications are not coordinated with major public works projects, no excavation can be done for three years after a road is improved. For fixed-line network operators obtaining right-of-way is extremely troublesome. The NCC intends to adopt the following to assist them in obtaining right-of-way and adjusting downward user fees:

(1) After collecting, compiling and editing information on rejected applications at the county and city level for excavation and the laying of underground conduit infrastructure made by fixed-line network operators, the NCC suggests that the county and city governments work in coordination with the relevant units in charge of right-of-way to approve the applications and on an urgent basis to excavate and lay the underground conduit infrastructure.

(2) Urge county and city governments to relax restrictions on the laying of underground conduit infrastructure, and beyond this, to approve as quickly as possible applications for the laying of this infrastructure.

(3) The NCC suggests that the Ministry of Transportation Construction and Planning Agency select roads of various grades, have fixed-line network operators do demonstration projects attaching cables and setting up poles and then have the public vote on their choice. On the

basis of these results, cabling standards and construction methods should be drawn up and based on public agreement, with an eye as well to aesthetics, operators should be permitted to hang cables on exterior walls or erect poles.

(4) Coordinate with the Taipei municipal government to completely lift controls on the total number of right-of-way excavation applications or relax these controls.

(5) Coordinate with the MOTC to revise Article 2 of the Standard User Fees for Urban Roads, standard use fee table.

6. Improve Type II telecommunications inter-connectivity (TWIX)

When ISP operators exchange data traffic they must do so over what is called the “Internet Exchange” (IX). The Internet interface used by the Internet Exchange impacts the cost of interconnectivity among ISPs as well as the operational efficiency of the entire network. Nevertheless, at the current time the Internet Exchange has not completely kept up with the development of the Internet access service industry and played a key, helpful role, which has led to the following deficiencies:

(1) The gap in size between ISPs is excessive and harmful to fair competition.

(2) Small-scale ISPs are facing the problems of long data exchange times, insufficient bandwidth, unreliable access quality (dropped lines, high packet loss rate), and being forced to accept connection fees that don't conform with market norms.

(3) The quality of service from the Internet Exchange needs improvement (because of the lack of incentives for interconnectivity, cost-benefit is not outstanding).

(4) The Internet Exchange lacks an overall oversight and regulatory mechanism.

The NCC will create and implement an oversight and regulatory mechanism, the Taiwan Internet Exchange (TWIX). Regulations will require that all key domestic ISPs must engage in public peering of data over TWIX. Also, there shall be certain standards set up for bandwidth and quality (for example, packet loss rate and response time). In addition, the NCC will do a feasibility study for the creation of another Internet Exchange.

7. Create criteria for assessing effective market competition

Digital technology is moving daily life toward computerization. Thus to complete an environment for market competition, to promote network infrastructure, and to increase the number of users have become important policies for a country to develop her information society and to raise her national competitive level. For this reason, the NCC will continue to deregulate the laws and regulations relevant to communications and to create an operation

environment for the communications market with effective competition to inspire the marketplace.

The reason why we formulate this Administrative Plan is to assess the overall results of regulatory measures for competition, and to understand the results of efforts on developing network infrastructure and users via the promotive measures for an effectively competitive communications market, and to concretely complete an operational environment of the communications service market.

The NCC plans from 2006 to 2008, after the implementation of the measures for fostering competition- “Effectively promote local loop unbundling”, “Formulating concrete criteria of reverting outgoing calls pricing”, “Implement wholesale price of Type I telecommunications market dominators”, “Implement network interconnection co-location for Type I telecommunications operators”, “Assist fixed-network operators to obtain right-of-way and coordinate with the MOTC to lower use-of-way fees”, “Improve Type II telecommunications Internet Exchange (TWIX) mechanism”, to facilitate the market share of those new market competitors to rise in broadband subscribers to 35%, 40% and 45% (including ADSL, Cable Modem, WiMax and WiFi subscribers), and in local phone subscribers to 5%, 10% and 15% (including legacy telephone, cable phone, VoIP with E.164 numbers), in order to further the balanced development of the communications convergence service market and to offer the public more rational telecom tariffs and more diverse network services.

C. Draft and revise laws and regulations

1. Abolish or revise unnecessary regulatory legislation

Among the various administrative regulations governing communications previously issued by the GIO, the MOTC and the DGT, there is no lack of those without a reason for continued existence or that no longer appropriate for the time, in turn, have become unnecessary administrative controls that limit enterprise’s operations. For this reason the NCC will conduct a comprehensive examination and review of the relevant legislation with a view to eliminating unnecessary administrative controls. In addition to following in the footsteps of advanced countries in their opening up of the communications business, this will also make good Taiwan's commitment to promote communications liberalization that was part of its entry into the WHO. For example:

(1) Paragraph 3, Article 14 of the Regulations Governing Mobile Communication Business and Paragraph 4, Article 10 of the Regulations Governing The Third Generation (3G) Mobile Telecommunications Service stipulate a restriction on the cross-share-holding ratio among 2G and 3G telecommunications enterprises (it may not exceed 10%). This inappropriately limits the enterprise from expanding its operational scale through mergers.

(2) Since the NCC has encouraged the mobile communication operators to consolidate base

stations, The Operation Essentials of Quality of Service for Mobile Telephony Business should be reviewed and revised to coordinate with the principle of base station consolidation and the object of regulations should be the group of enterprises rather than the enterprises individually, otherwise it will be impossible to achieve the NCC's goal of reducing the number of base stations.

(3) The NCC also intends to review obstacles caused by current administrative legislation and as quickly as possible eliminate them to facilitate the smooth development of new services like the "triple play" integrated service (phone, data and cable TV), digital audio (DAB) video service and hand-held video.

2. Responding to urgent industry needs, complete revision of laws on small scale

To respond to urgent business and practical needs and to do revisions that present little controversy, the following legislation will be reviewed and revised:

(1) Telecommunications Act

- a. Responding to Taiwan's promotion of a mechanism to announce telecommunications equipment conformity under the structure of the WTO ITA and the APEC Telecommunications Mutual Recognition Agreement (APEC TEL MRA), revise the relevant articles of the Telecommunications Act to support coordination.
- b. Revise and augment regulations on certification assessment of safe IT products to enhance their international competitiveness.
- c. Eliminate the upper limit for price adjustment for non-dominant market players in order to enliven the market.

(2) Three Broadcast-related Laws

a. Radio and Television Act

(a) Cancel current over-the-air radio and TV station import or export of programs: all broadcasting of foreign programs or overseas broadcasting of domestic programs using international telecommunications facilities shall first receive permission from the competent authority.

(b) Radio hookups have become a trend in the current broadcast market. Laws will be revised to place them under regulation to foster competition among radio and TV stations and to protect the rights and interests of the consumer.

(c) The regulation stipulating that station program schedules must receive prior approval and that the authorizing competent authority may conduct prior investigation is no longer in line with the current develop environment of the broadcast industry and should be done away with in order to raise the level of competition in the over-the-air TV industry and foster fair competition.

☎📡📺 Referring to the regulations of the Cable Radio and TV Act and the Satellite Broadcasting Act, set clear limits on the use of interstitial banners and raise the amounts of various fines for broadcast TV; in addition, revise the monetary unit used in this Act to NT\$.

(e) Following broadcast TV digitalization, reclaim some of the frequencies that had been officially allocated to the broadcast TV industry; separately, create a broadcast digital TV shared transmission platform on the model of “separate content and transmission providers” and create a relevant regulatory mechanism.

(f) To keep media laws and regulations in balance, encourage enterprise self-discipline and abolish the regulation requiring the advertisements be sent for prior examination before broadcast.

(g) Referring to model of the Satellite Broadcasting Act, raise the amount of fines for broadcast TV and in addition, revise the monetary unit used in this Act to NT\$.

b. Cable Radio and Television Act

(a) Broadcast TV digital compression can provide multiple-channel service. Research the laws and regulations on the appropriateness of requiring system operators to carry broadcast TV channels to safeguard industry development and protect the rights and interests of the TV consumer.

(b) The current organization and area of responsibility of the Cable Radio and TV Advisory Committee is regulated by law. To avoid jurisdictional incompatibility with the authority of the NCC, there is a real need for some sunset legislation with regard to the Cable Radio and TV Advisory Committee.

c. Satellite Broadcasting Act

(a) Article 6 and 16 of the Act were revised and promulgated on January 15, 2003, but some articles were not adjusted simultaneously so it affects the execution of the Act and the penalties to punishees by the Act. The articles should be revised.

(b) The regulated objects are limited to those operators who use satellite transmission channels. As for those operators whose partial channels are exclusively for advertisement via optical fiber transmission, and who operate as radio and TV program providers, the NCC will amend the Act in order to regulate them as “alternative channel providers”.

3. Responding to the needs of digital convergence, complete a comprehensive revision of the Telecommunications Act and the three radio and television laws (cable, satellite,

broadcast)

In the age of the digitalized and broadband Internet, the development of cross-media technology convergence between telecommunications and radio and TV has become a strong trend, obliterating the dividing lines within the traditional communications industry and impacting the shape of communications technology and service of this new age, thus it is necessary to conduct a comprehensive review and revision of the Telecommunications Act and the three radio and television acts to respond to this constantly changing scientific and technological environment, to fit actual needs and to put the mechanism for free competition on a sound footing. But giving due consideration to the fact that there are some basic differences in the oversight and regulation of the telecommunications industry and broadcasting industry, the separate legal framework governing the Telecommunications Act and communications laws will be maintained to respond to the needs of different regulatory mechanisms.

D. Promote wireless broadband access and utilization

In recent years the new technology of Wireless Broadband Access has become the focus of international attention. Its characteristics include transmission over long distances, broad network coverage, high spectrum efficiency, high transmission speed, flexible system capacity and support for various voice and image mixed services and can be operated in several different frequency bands. The future for development in this area looks very good. To effectively push forward Wireless Broadband Access and its utilization, the NCC will invite representatives from all spheres to form a special task force and, after consulting a broad range of opinion and following thorough discussion, will complete the following projects:

1. Spectrum planning

The NCC has decided to complete the spectrum planning for Wireless Broadband Access before December 31, 2006, as well as the related work of spectrum re-farming and clearing up, to facilitate the later opening up of the businesses.

2. Complete required legal work for releasing frequencies

The NCC has decided to draw up the required regulatory rules relating to the release of frequencies before December 31, 2006. As for the objects who getting the released frequency, the NCC will consider and encourage operators who are able to offer new technology and new services on these frequencies and will consider limiting existing operators to use Wireless Broadband Access for “last mile” access. About the releasing time, because it has strong connection with several factors, such as fair competition and overall order in telecom-info market, industrial development, etc., the NCC will make the careful consideration to

decide when to perform the legal procedure to release frequency.

E. Promote development of a digital platform

1. Promote development of a digital video platform

In March, 2003, the National Information and Communications Initiative Committee (NICI) created the “NICI Video Integration Steering Committee” and directed the DGT to draw up a plan for a “Digital Video Platform Transmission Project” and, in coordination with the Executive Yuan's National Science and Technology Program for Telecommunications (NPT) office, created a four-year budget (2004-2007) to promote the development of digital video in Taiwan.

In 2006 the NCC will lead two projects: “Research on the Application and Regulation of Hand-held TV Technology” and “HDTV and SDTV Transmission Standards for cable TV Systems, Channel Allocation and Feasible Technology for an Incremental Switch-over from Analog to Digital Transmission”. These will be done in the hope of achieving multiple goals:

- create a convergence environment with multimedia standards for receiving terminal equipment
- promote the building and development of digital radio and TV systems
- promote value-added services for radio and TV and inter-active and mobile capabilities
- push digital content flow
- save operational costs
- expand the scope of the digital video market.

The NCC will also refer to the results of the above study to augment and revise in 2007 the “Technical Specifications for a Digital Video Multimedia Shared Platform” to include hand-held video technology in line with the new international trend in order to foster the development of radio and TV digitalization in Taiwan.

2. Promote experimental trial DVB-H broadcasts

To promote the use and development of hand-held video, the NCC designated channel 51 (692-698MHz) and channel 53 (704-710MHz) for test trials providing domestic communications, broadcast, content creator, service and content provider enterprises an opportunity to conduct trial tests. The NCC will conduct a selection process to choose and approve the best and will publish the names of the selected groups and those on the reserve list. With regard to the issues of trial broadcast systems, one or more operators per region for trial frequencies, relative weight of selection criteria and length of the experimental broadcast period, opinions will be publicly solicited through public hearings.

This trial broadcasting program can serve as reference for the future formulation of “Technical Specifications for Digital Broadcast TV Stations” and the opening up of the broadcasting field. The integration of the mobile communications network with the hand-held DVB network will increase the public's choices for diversified content and inter-active services and will be extremely helpful in promoting the development of new broadcast technology and in accelerating the development of domestic digital TV service, inter-active services, the wireless industry and mobile phone related industries.

3. Continue to promote cable TV digitalization

How to help along cable TV digitalization to provide the public with more advanced and more convenient digital services is one of the NCC's key administrative goals. Since 2003 Taiwan cable TV operators have been investing in digitalization and currently there are 34 operators who have been approved to run digitally enhanced channels. However, the costs of cable TV digitalization are enormous, further, because the related equipment is privately owned, it is not right that the government directly provide the capital. In addition, use of the digital set-top box and digital services like pay-per-view still have low acceptance among the public, thus indirectly there is insufficient market attraction to induce cable TV operators on their own accord to continue investing in cable TV digitalization. Currently the progress of cable TV digitalization remains slow with digital service coverage only 5.6%.

The NCC will move in the following direction in promoting cable TV digitalization:

- (1) Urge cable TV operators to provide subscribers free of charge a set-top box.
- (2) Make progress in cable TV digitalization an important item in cable TV license renewal deliberations.
- (3) Consider together in a rational way progress in digitalization with cable TV rate policy.
- (4) In accordance with the degree of digitalization, open up the implementation of the tiering system.

4. Supervise the Telecom Technology Center in creating an interoperability lab

To respond to digital technology convergence, grasp the direction of development in information and communications technology and the industry, to integrate the effective resources of communications networks, to provide what is needed to conduct interoperability tests for terminal equipment developed and data application services by the domestic communications industry, the NCC will assist the Telecom Technology Center to establish a testing and certifying environment for domestic communications products and construct interoperability trials for various telecom terminal equipment and systems as well as network access testing.

Because the costs for establishing and maintaining a lab for interoperability testing and certification are extremely high, the promotion and establishment of such a lab by a neutral Telecom technology Center representing the public interest will be able to reduce the certification and associated costs for telecom terminal equipment manufacturers and increase their international competitiveness.

F. Strengthen information and communications security

Establish technical standards and a regulation system for information and communications security

Sub-paragraph 8, Article 3 of the NCC Organization Law clearly states that one of the NCC's areas of jurisdiction is the technical standards for, and regulation of, information and communications security. To strengthen information and communications security in Taiwan it is imperative to establish effective oversight laws and regulations, concrete regulatory methods, emergency response notification measures and a certification system in line with international norms in order to fulfill the reliability and security of communications infrastructure networks, systems and equipment, to reduce possible harm done by information and communications security incidents, to ensure that Taiwan will permanently enjoy a dependable information and communications security environment and to raise overall national competitiveness.

To achieve the above goals, the NCC will formulate regulatory laws and regulations regarding information and communications security control, information and communications security evaluation labs and certification bodies, and technical standards for security products and systems; it will oversee and assist in the security of the communications infrastructure networks, complete concrete measures related to security emergency responses and will actively participate in related international organizations so that Taiwan will have the capacity to test and certify domestic and foreign information and communications security products to foster research and development among domestic manufacturers of reliable information and communications systems related products. The NCC will in addition establish an information and communications security promotion and technology web site and will pull together the latest information and communications security technology and will offer to the public an information and communications security technology consultation service and will conduct related training; further, the NCC will be responsible for promoting basic information and communications security and for holding symposiums on related technology.

G. Enhance international engagement

1. Promote international exchanges and cooperation in communications

To promote the healthy development of communications, safeguard the professional autonomy of the media, effectively regulate communications, ensure fair and effective competition in the communications marketplace, protect the rights and interests of the consumer and respect those of the disadvantaged, foster the balanced development of multiculturalism and raise the level of national competitiveness, the NCC must actively push ahead with international engagement. The key points include:

- In response to digital convergence, get a firm grasp of the trend in digital convergence and the development of the technology.
- Promote the sound development of the communications industry, increase the level of network security, and strength consumer protection.
- Actively participate in international organizations and conferences, establish friendly, cooperative international relationships, appropriately safeguard the rights and interests of Taiwan.

International bi-lateral and multi-lateral exchanges and cooperation and active participation in the APEC Telecommunications and Information Working Group, WTO conferences on telecommunications and audio-visual matters, related ITU conferences and other important international conferences and activities, will facilitate the promotion of the internationalization of the telecommunications, audio-visual and information service industries and draw on the development experiences of the communications services industry in various countries, lead to a grasp of development trends in international technology, standards and legislation, appropriately safeguard the rights and interests of Taiwan, and create an excellent environment for the development of the industry.

2.Promote an international mutual recognition arrangement on test certification for telecommunications equipment

To seek a uniformity in telecommunications equipment type approval for the Asia-Pacific region and then conclude a regional mutual recognition arrangement to foster the free development of international trade, the APEC Telecommunications Working Group in 1996 set up the APEC TEL MRA Task Force under the leadership of Canada at the APEC TEL 14 meeting, and Taiwan took the initiative to join the MRA Task Force and actively coordinate efforts to promote these measures aimed at free trade in telecommunications equipment. In May 1998 the Task Force jointly completed the important documents on the APEC TEL MRA basic framework, guiding principles and content and in June 1998 at the APEC TELMIN 3 meeting the telecommunications ministers from the member countries issued the “Ministerial Declaration on the APEC Mutual Recognition arrangement (MRA) for Conformity Assessment of Telecommunications Equipment” expressing support for these measures aimed at liberalizing telecommunications and also making clear that APEC

members would voluntarily implement the MRA schedule. Currently Taiwan has already implemented TEL MRA Phase I (a mutual recognition of testing laboratories as conformity assessment bodies and mutual acceptance of equipment certifications and Phase II (mutual recognition of certification bodies as conformity assessment bodies and mutual acceptance of equipment certifications).

As of September 2005, among the 21 APEC economies, 19 (not including Chile and Russia) had already stated they were participating in MRA Phase I. With regard to implementing Phase II, “mutual recognition of certification bodies”, only five economies have made clear their willingness to participate: Canada, Hong Kong, Singapore, the US and Taiwan.

The NCC this year will actively negotiate with both Canada and Singapore with regard to implement the MRA Phase II dealing with mutual recognition of certification and will continue to discuss promotion of this issue with the US and Hong Kong. Through promoting international mutual recognition arrangement on telecommunications certification, the NCC will achieve the goal of reaching parity with international norms, reduce the cost and time schedules for Taiwan manufacturers in overseas sales of their products, expand Taiwan's overseas trade network for telecommunications equipment and grow the capacity of domestic testing labs and certification bodies.

II. Encourage the sound development of communications

A. Effective radio and TV license issuing and renewal

1. Replace the two-track system: streamline the renewal process for radio and TV licenses

The issuing and renewing of communications licenses is related to the fair allocation and regulation of scarce channel and frequency resources. How effectively to oversee and regulate communications and to ensure effective, fair competition in the communications market is the key element in achieving the administrative and policy performance goals of the NCC. Nevertheless, the current procedure for issuing and renewing licenses is complex and places an enormous burden on enterprises. Keeping in mind a response to technological convergence, the sound development of the communications industry, safeguarding the rights of the public, protecting the rights and interests of the consumer and enhancing multiculturalism, as soon as possible a review of regulatory reforms should be conducted and the procedures for issuing and renewing license should be streamlined. In the future the renewal of business licenses will be separated from the day-to-day regulation of station behavior and operations of enterprises that don't use scarce resources such as satellite channels that are not vertical integrated, will in principle be granted in each case because of free from controls. Operations of enterprises that use scarce resources will in principle be

required to conform to the aims and purposes of their establishment and to fulfill their corporate social responsibilities and give due consideration to the rights and interests of the consumer. When necessary, participation by public groups will be involved and through the license renewal review and inspection procedure radio and TV enterprises will be induced to improve their performance.

Working within the current laws and regulations, with an eye on market mechanisms, public rights and interests and the media's social responsibility, the near-term approach is to separate license renewal from the regulation of day-to-day behavior, to simplify the application form and streamline the whole procedure in order to lower business costs, achieve the goal of offering greater convenience to people and increase government efficiency. The mid-term approach is to formulate a more forward-looking communications license granting and renewing policy and include this in the revision of related functional laws in order to ensure fair and effective competition in the market.

2. Open the eleventh batch of FM broadcast frequencies

Since 1993 the GIO has successively opened up 10 batches of FM broadcast frequencies and allocated FM frequencies to 151 stations. Although to date there are more than 100 broadcasting companies in the market, the public's demand for opening up FM frequencies to realize media accessibility, freedom of speech and an expansion of market competition remains keen.

In view of the fact that currently there still remain some unused, open FM frequencies, and giving due consideration to implementing media accessibility, safeguarding the rights and interests of the disadvantaged, assisting community development, a sound market structure, the suppression of illegal broadcasting and build an excellent broadcasting environment, the NCC will continue to push for opening an 11th batch of FM frequencies. As for the method of freeing up these frequencies, the previous ten batches were allocated as a result of official deliberations. With regard to an allocation mechanism for medium-power stations, whether or not the deliberation approach will be continued or whether the auction approach of other countries or other communications industries will be considered, the NCC members will weigh factors such as administrative efficiency, media accessibility, multiculturalism, disadvantaged groups, rights and interests of the consumer and market economic scale and conduct a full review and discussion and then after holding hearings will make a decision.

B. Promote VoIP interconnectivity

The provision of a voice service over the Internet protocol (VoIP) is one of the new services made available by the development of technology and is regarded one of the broadband

network service with the greatest potential for development and greatest innovative applications. Compared with traditional phone service, “Internet phone service”, because the calling costs are very inexpensive, has gradually won favor among users worldwide. Because this service in fact has struck a blow against current telecommunications service and because the associated technology has matured to the point where it can interconnect with the public telecommunications network, this had led to a need to allocate telecommunications numbers.

Based on the principle of catering to the rights of the public in selecting telecommunications services and spurring on competition in the telecommunications market, the NCC will consult approaches taken by advanced countries and, in accordance with the stipulations of the administrative regulations on Type II telecommunications enterprises, will officially allocate E. 164 (the International Telecommunications Union telecommunication numbering plan) numbers to VoIP service operators and, in addition, we have already set up standards governing the examination of user data, method for obtaining the E. 164 numbers, and full disclosure of service information. Besides, based on national security and public security needs, VoIP operators shall, pursuant to stipulations of the Communication Protection and Surveillance Act, coordinate efforts to carry out communication surveillance and shall immediately send the calling number from the originating customer to the destination network online in real time and make sure that the original calling number is correctly received by destination network.

Because VoIP operators come under Type II telecommunications enterprises and do not have actual networks, and are always at a disadvantage in bargaining on interconnectivity with Type I operators and likely to meet with technical obstacles and obstructionism making it impossible to easily arrive at an agreement on interconnectivity, the NCC will draft a package of measures to deal with this issue. In addition, with regard to the obligation to carry out coordinated efforts at communication surveillance as stipulated by regulations, because the construction cost of doing this is enormous and it would be difficult to complete the task with just the capital of the Type II operators, the Legislative Yuan together working with the MOTC studied and discussed the issue and reached the following resolution: the competent authority shall supervise the Telecommunications Technology Center foundation to assist private operators to establish and set up a “VoIP Interconnectivity and Interoperability Exchange Center” that will in the nature of a third impartial party. The NCC will, in accordance with the Legislative Yuan's resolution, supervise this project and will continue to supervise VoIP operators to meet the communication surveillance demands made by the organs of public security.

C. Promote Rational rates

1. Promote rational telecom rates

A survey in 2006 by the OECD of its members showed that 19 of the 30 member countries had adopted the price cap method. In Nov. 1999 the MOTC revised Article 26 of the Telecommunications Act stipulate that the tariff regulation of Type I telecommunications enterprises shall adopt the price cap regulation. In Sep. 2000 the DGT promulgated the “Administrative Regulation Governing Tariffs of Type I Telecommunications Enterprises” to stipulate percentage of adjustment for controlled tariffs of Type I Telecommunications Enterprises shall not exceed $\Delta\text{CPI} - X$, where ΔCPI is the annual increase rate of consumers' price index of Taiwan area announced by the Directorate General of Budget, Accounting and Statistics of the Executive Yuan and X is the efficiency factor.

The purpose of the price cap is chiefly to prevent operators from taking the occasion to raise prices and make exploitative profits, to protect the rights and interests of the consumer, to raise the level of efficiency among telecommunications enterprises and have this reflected at the appropriate time in pricing and feeding back to the consumer and further, fostering fair competition in the market and the sound development of the telecommunications industry.

Because at the initial phase of implementation the Mobile Telephone Business had just been opened, new entrants were still in their initial investment phase and it was impossible to assess efficiency to set an appropriate X -factor so a loose approach was taken to tariff regulation. The X -factor, except for the local telephone business, was set as ΔCPI , that is, Type I telecommunications tariffs, except for local telephone tariffs, could only be adjust downward, not upward, and no cross subsidies hindering fair competition were permitted. Also, predatory pricing, which is lower than actual connection costs, may not violate the Fair Trade Law.

The international practice is to adjust the X -factor every 4 ~ 5 years. In Dec. 2005 the DGT issued a press statement that it would make an analysis of the increase in operating efficiency of each operator in recent years and recalculate the X -factor to reflect the actual status of competition in the telecommunications market in the hope that via an adjust of the X -factor would lead to a lowering of related tariffs that would be shared with consumers.

Considering all the above, this Administrative Plan will complete consultations, hearings and a public announcement or legislative process and in 2006 will make an analysis of the increase in operating efficiency of operators and determine the X -factor; it will revise the Telecommunications Act and review the entities to which the price cap shall be applied and in 2007 will review the definition of dominant player. Because the determination of an appropriate X -factor can provide adequate economic incentive and induce operators to work hard at raising their operational efficiency and also to share the benefits it brings with consumers, it is anticipated that via an adjustment of the X -factor telecommunications service tariffs will be induced to trend toward rate rebalance, the general consumer public will be able to enjoy inexpensive high-quality telecom services and further, national competitiveness

will be enhanced. In addition, through a relaxing the entities to which the price cap shall be applied and a review of the definition of dominant player allowing operators to set rational telecommunications tariff prices in line with market competition and their own operation strategy.

2. Promote rational cable TV rates

cable TV is a licensed industry characterized by a semi-public nature. Relevant regulatory policy should give consideration to safeguarding the rights and interests of the consumer and should foster the development of the industry and the efficient use of resources. A survey of the experience of countries around the world shows that the free market economy is still the main avenue for development and for this reason industry rates should normally not be subject to regulation in order to foster a move in the direction of competition, otherwise industry development will be disadvantaged and ultimately consumers will be unable to reap any benefits. Because of its specific geography and level of urbanization, Taiwan is favorable to the development of the cable TV industry. A series of cable TV mergers as well as combined or united market actions have led to the phenomenon of cable TV monopolies and oligopolies. To prevent operators from using their advantage of market monopoly to improperly drive up or institute unreasonable rates, a broad segment of public opinion still demands the NCC continue to rationally regulate cable TV rates.

The current approach is in accordance with Article 51 of the Cable Radio and Television Act: System operators shall report the subscription fees to the special municipal or county/city government within one month of August 1 of each year. The fees shall be announced by the special municipal or county/city government after they have been approved according to the subscription fee standards set by the review committee. The special municipal and county/city government may establish a fee review committee to be placed in charge of approving the above-mentioned subscription fees. For special municipal or county/city governments that have not established a fee review committee, the central regulatory agency shall be in charge of approving the fees. But just who has the right to review cable TV fees and the actual fee standards that are set is still a matter of debate among legislators, the business community and academics.

In addition, owing to its particular background, Taiwan cable TV has developed a batch viewing model that is uncommon internationally, what is popularly referred to as the “big bowl” fee system. Although this model can produce relatively low viewing fees, it causes operators not to be driven by high-quality content but rather to use market coverage or wholesale numbers as competitive techniques preventing a quality improvement of the viewing environment. This is certainly not beneficial to the consumer. In the current age of

consumer assertiveness, the public's channel needs are no longer satisfied by numbers but a fee system that benefits the consumer, and i.e. a tiering system that provides multiple choices fitting the needs of different audiences. In view of this fee review so beneficial to the development of cable TV and at the same time giving due consideration to the rights and interests of the consumer, the NCC list this system as a key administration plan for this year.

D. Effective spectrum regulation

1. Strengthen regulation of mobile phone base station construction

Because the public has concerns about the health effects of electromagnetic waves generated by mobile phone base stations, a “NIMBY” (“not-in-my-backyard”) psychology has grown up among those residing close to these base stations, and this has become an increasing and serious trend. This is especially true for co-located or shared stations. The numerous antennas jutting every which way are not only aesthetically unpleasing, they strike fear in the hearts of the public. Based on past opinion from the central government, all levels of local government as well as representative assemblies, most of the resistance against base stations revolves around residential areas.

The NCC divides mobile phone base stations into four types focusing on construction type and location in terms of relationship to the residential environment: (A) co-located or shared, (B) erected in a residential area, (C) erected on townhouses and (D) all other types. Goals for this year: (1) new co-located or shared base stations (type A) and those erected in residential areas (type B) must undergo an on-site inspection and comprehensive individual station tests conducted by the NCC before a station license will be issued, (2) the provision of a toll-free number (0800873888) the public can call to have a test conducted of the electrical field of locations shared by base stations and the public, (3) re-testing by the NCC of protested base stations, (4) base stations that have met test standards will post a test certification document in the facility, (5) to encourage similar 2G and 3G groups to share antennas and co-locate, (6) except for remote areas where there is a need, reduce the number of new 2G stations and finally, the NCC web site will plan for a “Find Site” so that the public can on a real time basis learn the status of base station construction in an area of concern to them and through the adequate disclosure of information the public's worries can be laid to rest.

2. Optimize the radio spectrum monitoring network

To maintain radio frequency order and protect legal communications, the NCC, consulting the ITU recommendations, plans to build a nationwide radio spectrum monitoring network. As for detecting aviation interference, preventing electronic cheating in national examinations, monitoring the usage of all types of radio stations, eliminating radio interference, monitoring illegal radio stations and assisting to crack down on them - in each

case the network will fulfill its anticipated function.

In recent years there has been a vigorous development of the economy, rapid social change and a great deal of civil engineering construction and liberalization in the communications field. This has led to changes in the topography, both natural and man-made. The radio spectrum environment and the NCC national radio spectrum monitoring network plan in the initial stage gradually grew apart. The radio spectrum environment at some stations did not conform to the criteria of the original plan and this affected detection performance. To maintain the ability to monitor the radio spectrum, the NCC will budget yearly for the purchase of radio spectrum monitoring equipment and year-by-year will improve the network's scope of detection and strengthen its detection capability to maintain radio spectrum order.

In addition, to fully exploit the function of the radio spectrum monitoring network and focus on the voice content of radio broadcasting, the NCC will create a voice broadcasting monitoring and recording system. The system will be integrated as an add-on function of the radio spectrum monitoring network and serve as evidence for punishments and/or fines in future cases involving judgments on the broadcasting content that violates regulations. This avoids the inefficient, unscientific approach of manual monitoring and recording used in the past.

3. Raise the quality of radio and TV engineering

To safeguard the rights and interests of the consumer and raise the quality of radio and TV engineering quality, the NCC intends once every three years to conduct a radio and TV engineering evaluation and rely on this to encourage operators to continue their efforts at raising the quality level of their program signals so that the radio and TV engineering personnel to toil behind the scene will get the encouragement and recognition they deserve and that an opportunity be made available for mutual learning so that each radio and TV company will attach more importance to engineering quality and maintenance controls and advance forward to radio and TV digitalization.

In the past the MOTC on three separate occasions, July 1999, December 2001 and February 2004, held the "Golden Broadcasting Technician Award" so that radio and TV executives would give more attention to increasing the quality of radio and TV engineering and emphasize the training of engineering personnel. This was especially true for pursuing progress in network automation and digitalization, system monitoring and engineering management. In addition, most of the engineering personnel toiling behind the scene gradually received recognition from enterprise operators and the rise in quality has been

obvious. As for the deficiencies that turn up at each evaluation, in addition to requiring they be fixed in a timely fashion, they are listed as items for the next evaluation. The NCC will continue to conduct radio and TV engineering evaluations every three years and hold the Golden Broadcasting Technician Awards to raise radio and TV engineering quality and create a higher-quality broadcasting environment.

E. Crack down on illegal radio and TV stations

Following the lifting of martial law in 1987 illegal radio stations gradually sprouted up and by December 1994 caught the attention of the Executive Yuan, which required that each ministry devote its efforts to cracking down on illegal radio stations “until complete success is achieved”. In January 2002 the Executive Yuan approved the “Illegal Radio Station Crackdown Project”. The GIO and the MOTC then jointly summoned the Department of Health, the Council of Agriculture, the Council of Indigenous Peoples, the Department of Prosecutorial Affairs, Ministry of Justice, the National Police Administration and the Planning and Construction Agency, Ministry of the Interior, the Taxation Agency and the National Property Bureau, Ministry of Finance, and the DGT, to create a “United Working Group for a Crackdown on Illegal Radio Stations” where each ministry carried out work in line with their areas of authority.

The NCC will continue to use the working group approach to cracking down on illegal radio stations and in conjunction with the relevant competent authorities will carry out activities to accomplish this task. As for concrete work methods, the NCC will proceed in priority order in accordance with the level of gravity represented by interference in aviation communication security, selling of illegal drugs and foodstuffs and offenses reported to the authorities by the public. The crackdown will proceed via multiple channels and the number of crackdowns will be increased, which will increase the operating costs of illegal radio and will mean more results in the crackdown effort. The NCC will also formulate ways to encourage the public to report offenses and provide concrete evidence of behind-the-scene operations and equipment so that illegal radio stations will gradually disappear. The NCC will by the end of 2006 reduce by over 50% the more than 130 illegal radio stations that currently exist and in the future will continue its crackdown efforts “until complete success is achieved”.

Aside from engaging in crackdown activities in accordance with the law, the NCC will review the opening up of surplus, unassigned FM frequencies to prevent illegal radio stations from occupying this space and to provide opportunities for them to apply for legal operations; in addition, in conjunction with relevant agencies, we will strengthen public information activities on the proper use of drugs and on basic legal information and implement the monitoring of broadcast power of the legal radio stations to effectively monitor and maintain

operational order of communications broadcasting.

F. Promote effective use of the spectrum

1. Open up the second digital TV single frequency network

In the initial phase of developing digital TV in 1998, because European standard TV lacked specifications for the 6MHz band, the MOTC announced that it was adopting the US ATSC (Advanced Television Systems Committee) standards. Because it was impossible to set up a network with a single frequency, the MOTC allocated two 6MHz frequencies to each of five over-the-air TV stations, and through interleaving made the system usable for a digital TV station. Later the European digital TV specifications were adopted (DVB-T) with the advantages of single frequency network, mobile reception and resistance to multi-path interference. At the current time TV stations are generally using a single frequency to create an all-regional over-the-air digital TV platform and a single digital frequency can broadcast three SDTV programs. In addition, each station still has a digital TV frequency in reserve which originally intended for use to avoid co-channel interference, that is available for planned release.

To build a digital broadcast TV platform that meets the interests of the general public and that is competitive, that will offer the public a variety of channels and diversified choices, the NCC will make appropriate plans for the utilization of these unused frequencies, give due consideration to public auction or some other method for evaluation and selection so that high-quality operators will be able to access the digital wireless platform. In addition to implementing the policy of “separation between transmission and content”, this will be able to lead entrepreneurs forward in the direction of healthy competition and prompt a more efficient use of channel resources.

In addition, most advanced countries are currently making TV programs with HDTV equipment, and Taiwan has begun to promote the development of HDTV. In February 2005 a conference on “Exploring the Development of HDTV in Taiwan” that addressed topics like HDTV pilot program tests and when broadcasting would begin, suggesting this happen at the end of 2007 and that has been approved by the Executive Yuan after submitting by the Executive Yuan's National Information and Communications Initiative Committee (NICI).

This year, in addition to actively dealing with the unused frequencies mentioned above, the NCC will engage in a comprehensive evaluation plan focusing on the further development of network operations involving these frequencies, include the operating scale of a digital broadcast TV platform, the content (the proportional relationship among HDTV, DVB-H, MHP), method of evaluating and selecting operators, TV license application procedures,

review and investigation procedures for license issuing and standards used. In addition, we will conduct hearings and consult a broad range of opinion so that the radio frequencies are efficiently used and the sound development of digital broadcast TV is furthered.

2. Create a mechanism for frequency secondary trade, take back and reassignment

With a constantly developing radio science and technology, the appearance of free and open competition in the communications market and the trend toward digital convergence, the number of radio communication applications and users has been continuously on the rise and the spectrum needs of each group have been increasingly urgent. Because the radio spectrum is a scarce resource its use is exclusive. If tiering or subleasing were not used to put limits on its use, this would lead to a lowering of its efficiency. If adjustment and change through spectrum secondary trade, take back and reassignment is possible so that spectrum can be freely traded in the market and spectrum that cannot fulfill its function or create an economic price value can, under certain conditions, be take back and reassignment and once again be put to planned use This will enable an increase in spectrum use flexibility, a rise in spectrum use efficiency, and will push all spectrum resources to reach the maximum efficiency they should have. It will further enable the implementation of the NCC management principles with regard to spectrum resource transparency and systemization. For this reason, the NCC will consult the practice of advanced countries, commission research and formulate a mechanism for spectrum secondary trade, take back and reassignment.

3. Create and open up a radio spectrum databank query system

To foster the sound development of communications propagation, safeguard the rights of the public, protect the rights and interests of the consumer, and raise the level of multiculturalism, the NCC, in accordance with Article 9 of the Communications Basic Law, “Communications propagation enterprises shall make public necessary information about consumption and shall offer fair and reasonable service in order to protect the rights and interests of consumers” and the relevant stipulations of the Access to Government Information Law, will create a radio spectrum databank query system, for the open use of the public, enterprises and relevant government units.

Refers to foreign countries, like the US with the FCC and Canada, shows they too have public query mechanism for frequency data but data having to do with national defense secrets and national security are not included.

Also, Article 18, Subparagraph 1 of the Access to Government Information Law stipulates that “national secrets as determined by law, items classified secret by laws and regulations and items are restricted or prohibited from being made public” shall have restricted availability or no availability at all.

Consequently, the NCC will refer to the practice of advanced countries, will “create and open up a radio spectrum databank query system” to achieve the goal of open radio spectrum information, promotes the citizen to understand, use and supervise the public affairs, to strengthen spectrum resource management and maximize the efficiency of radio spectrum usage. This radio spectrum databank will also be available for radio frequency statistical analysis and for use in determining frequency tariffs.

G. Establish principles governing cable TV channel changes

The “channel program menu” is the main product offered by cable TV system operators. The administration of channel planning of system operators and changes involve the rights and interests of the consumer, the development of the industry and commercial exchange market order. With an eye on both order in the operation of cable TV systems and the safeguarding of the rights and interests of the consumer, the NCC will plans to the adopt a short- mid- and long-term phase approach with regard to setting up the principle for cable TV channel changes.

Cable radio and TV system operators should apply to the NCC for the approval of changes of channel planning. After numerous meetings and discussions held by the NCC early in the year, and after convening an information meeting with system operators, consumer protection groups, children and juvenile protection groups as well as channel operators, the NCC formulated and published on March 7 the “Reference Criteria for Handling cable TV Channel Plan Changes” to serve as reference material for authorization or refusal when deliberating cases in 2006 regarding cable TV operator applications for channel program changes. In addition, to set up principles for cable TV channel changes, the NCC will hold a hearing, get a broad spectrum of opinion from all sides and after that conduct more comprehensive and meticulous planning. As for long-term management, the NCC will coordinate with progress in digital convergence and the revision of related laws and regulations to foster competition among different platforms so that the public will have an opportunity to select channels, and ultimately, the market mechanism will decide the channel changes.

III. Safeguard the rights and interests of the people and the consumers

A. Implement the policy of political parties, the military and the government withdrawal from the media

With its ubiquitous nature and high degree of social penetration, the media has an enormous influence on public opinion and has always been a resource that political powers intend to control eagerly. In order to make the media develop further, fully exercise its supervising function and implement the ideal of the freedom of speech, a consensus that the media should

get rid of the interference of the government and political parties has been reached among the people in or out of office after Taiwan was democratized. With the view to withdraw the influence of the government and political parties completely out of the media and to protect the professional autonomy of the media, the Radio and Television Act, the Cable Radio and Television Act and the Satellite Broadcasting Act was revised and promulgated on December 24, 2003. The government and political parties are not permitted to invest or operate the media, and enterprises nowadays that are violating the regulations are offered a period of two years for correction. Furthermore, for achieving this goal with sure, the Article 1 of the NCC Organization Act stated explicitly that “scrupulously maintain the spirit of political parties, the government and the military withdrawing from the media”.

By December 25, 2005, media enterprises that had involved stock ownership by political parties, the government or the military had floated the stock on the market in succession. For example, the KMT had managed the stock of China Television and the Broadcasting Corporation of China. On January 18, 2006, following the promulgation and implementation of the “Statute Governing Disposition of Government Shares in Broadcast Television Enterprises”, the government donated all the shares it originally held in the Chinese Television System to the Taiwan Public Television Service.

However, currently some media still have some stock directly or indirectly held by the government or by political parties, either because of delays in drawing up the relevant laws or because of practical difficulties in implementing them. In addition, the NCC discovered in handling such cases that the three broadcast acts place the responsibility on the media but not the stockholder. This seems unreasonable and the reason for the result is deficiencies of the legal system.

Considering the entire industry situation, historical elements factors and relevant regulations, the NCC has decided to grant offers a 6-month period for correction for those electronic media that currently still have party, government or military share holders. To those media that do not make the change by the deadline will be penalized as appropriate according to violate the regulations, and a penalty of withdrawing the permit for serious violation will also be considered. In the future, via the review process for license renewal will be conducted to check the situation of withdrawing the government and political parties completely out of the media.

B. Promote communications universal service, reduce the digital divide

On the whole, digital divide can be classified into international, industrial, and provincial. The NCC is mainly engaged in reducing the provincial digital divide, and subsequently the

industrial and international digital divide. It will continue to promote universal service system of the voice, data communication, broadband network, cable TV, and digital TV.

Based on the spirit of Article 12 of the Communications Basic Law, “advance the access to communication and universal service provision”, and Article 13, “the safeguarding of citizens’ rights, the protection of consumers’ interests, the promotion of cultural diversity, the protection of minorities’ rights and interests, and the provision of universal service”, the NCC formulated this plan in order to integrate the resources of relevant agencies, and continue to provide subsidies for the establishment of broadband network in remote areas (including audio-visual, data and voice) and cable TV, to reduce the provincial digital divide, and revise the relevant laws and regulations, the expansion of cable TV bilateral network; the NCC lays digital set-top boxes with the help of subsidies allocated to the local low-income citizens to promote the digital development of cable TV, and expand the subsidy coverage to include remote areas that are beyond the coverage operational inspections of cable radio and TV system operators in response to the future development of the industry. In the next three years, the NCC will also urge communications network service providers to provide services to popularize voice communications and data communications by providing satellite, wireless, or fixed-line telecommunications systems in remote areas and outlying islands as well as enhancing broadband, data, and digital cable TV services to effectively promote the popularization of telecommunications and to reduce the international and industrial digital divide.

C. Authorize a third party to examine and test telecommunication equipment in buildings

With the popularization and widespread usage of broadband network, broadband multimedia has become a basic requirement when purchasing real estate. For the successful completion of the “Six Million Subscribers with Broadband to the Home” plan and the promotion of fair market competition among fixed-line network operators, the NCC felt it necessary to inspect the design of telecommunications equipment in buildings. However, due to the lack of personnel, pursuant to the stipulations with paragraph 9, Article 38 of the Telecommunications Act stating the “Regulations Governing Building telecommunication equipment examination and examination institution”, the NCC will choose and authorize professional telecommunication organizations to examine and test telecommunication equipment in buildings fairly and openly to protect the rights of the occupants and to ensure the installment and usage of broadband network equipment appropriately.

D. Safeguard the use of the network and the rights and interests of the consumer

Due to the growing threat of unsolicited commercial email (otherwise known as Spam) and

the lack of laws and regulations for its control and supervision, serious losses on both public social resources and enterprise network service resources arise. In addition, to avoid being detected, most abusers make use of multiple e-mail addresses to conceal their identity. In order to control the proliferation of Spam, the NCC will conduct “Control Measures Regulating Unsolicited Commercial Email” in order to safeguard the e-mail rights of the public and maintain the free flowing of broadband network.

E. Promote the Internet content rating system

On May 28, 2003, the Children and Youth Welfare Law was promulgated and implemented. Item 1, Article 27 of this law states that Internet content should be rated, and that Internet content should be controlled through legislation. Following the stipulations established by the Executive Yuan, the GIO was given the responsibility of rating Internet content, and on April 26, 2004 promulgated and implemented the Regulations for the Rating of Internet Content. In order to promote the rating of Internet content, the GIO has contributed NT\$10 billion for the establishment of the Taiwan Internet Content Rating Promotion Foundation (TICRF) to assist in promoting affairs relevant to the rating of Internet content. The NCC shall incorporate the assistance of the public to realize the filtering of website content and the promotion of a rating labeling system among others in order to protect the online safety of children and the youth as well as to improve the overall quality of the World Wide Web.

F. Full public participation in oversight for unwholesome content

In order to promote the public supervision of television and media content, the NCC will continue to maintain the TV Keeper website which was established on December 20, 2002, in order to provide a platform for communication to both the public and the media via an online platform. By this way, the audience may take on a more active part by making their opinions known, and increase the accomplishments of both the public and the media in order to achieve the goal of monitoring the content of television programs.

In order to carry out the ideal of public participation, the NCC shall refer to the measures adopted by OFCOM, regulator and competition authority for the UK communications industries, in dealing with the opinions and suggestions of the public, and establish a website for the sole purpose of gathering the opinions of the public regarding unsuitable telecommunications content. The website includes the following: complaints and feedback, case status query, results of consultation conferences, search for previous case records, case review, and relevant laws and regulations. The handling results regarding feedbacks from the public will be posted online as well as printed out as regular publications to serve as a written record.

It is hoped that, in the future, the public can become their own masters with regards to telecommunications with the help of the website, as well as provide assistance to the NCC to promote monitoring, and also enhancing communication and interaction with telecommunications enterprises, and supervising telecommunications enterprises in establishing control mechanisms to regulate themselves and others. With combined effort of both public and social groups, enterprises will be reminded of their societal obligations, as well as promote the environment protection of the telecommunications content.

G. Increase investigations into illegal phone cards

Article 16 of the Administrative Regulations on Type II Telecommunications Businesses states that: establishments selling prepaid telephone cards should indicate the name of the establishment, complaints hotline, expiration date, and usage guidelines on the product or its wrapper. Because there is no capital restriction on Type II Telecommunications Businesses, they come and go into the telecommunications market as they please. In order to prevent these establishments from providing content on the prepaid card not in accordance with the guidelines and consumers not being able to file their complaints when needed, the NCC shall conduct a survey of market-sold prepaid telephone cards, and issue fines and tighten controls on telecommunications enterprises in violation. This is done to protect the rights of the consumer. Also, Article 73, 74, and 78 of the Regulations Governing Mobile Telecommunications Service stipulate that the NCC shall supervise mobile phone enterprises in verifying the user information, registration, storage, and the registration of information into the system to activate the account of the prepaid card. By having such a comprehensive control mechanism, unlawful usage can be prevented, which in turn, may result to losses with regards to the rights of the public.

H. Simplify the certification process of consumer telecommunications equipment

Due to the rapid development of technology and the fierce competition among businesses, the Current lifespan of consumer telecommunications products that do not require a license to operate are becoming shorter, including mobile phones, home telephones, and Wireless LAN Access Points, In order to provide the local consumers the latest products along with the rest of the world and enjoy the convenience that the new product brings as well as improve the quality of life, the NCC shall refer to the latest measures to further simplify the certification process of consumer telecommunications equipment while maintaining the rights of the consumers and effectively monitoring the system.

I. Promote an “expert in communications” project

Communications play a role of society linking. With different communicational methods people communicate with individuals or organizations for interpersonal or social purposes.

Furthermore, through the media, people absorb abundant information, know the pulse of society and obtain different needs. Communications and the development of civilization have therefore established the same relationship as fish and water. Communications have become part of most people's lives and its services are specified as public or quasi-public utilities, and in particular, local communications are considered as one's own basic rights and interests. However, impelled by business benefits, broadcasting and television communication media compete to attract the audience with provocative information and content and ignores their social responsibility of delivering quality content. Therefore now and then the audience reflect that the NCC should pay more attention to the supervision of the communicated content.

Several organizations and parents have launched activities refusing to contact through communications for fear of bad influence of the content. As the activities would not benefit of the audience, it would be better to convey the concept of the education of communications and teach the audience to analyze, judge and select appropriate content and programs.

Now except for self-discipline, other disciplines by external forces also play an important role in the control of content in communications. The operational methods include establishing a system of whole people supervision as a key to improve the environment of communications besides the administrative department's supervision and control in accordance with the related laws and regulations.

For carrying out the ideal of whole people supervision and conveying the concept of the capacity of communications, the NCC is boosting this plan.

J. Examination of telecom business accounts

In order to realize the purpose of "encouraging the sound development of communications, safeguarding the rights of citizens, protecting the interests of consumers, promoting cultural diversity, protecting the rights and interests of minorities, and providing the universal service" and ensuring the correctness of telecommunication accounting system and standardizing its business process, the NCC will operate a Call Detail Record (CDR) policy and examine the correctness of bills for 12 operators in the fixed communications business, mobile communications business, the third generation of mobile communications business and 1900Mhz Digital Low-Tier Cordless Telephony Business etc. to supervise communication dealers, raise the quality of account operation and to establish fair rights and interests for consumers to use communication services.

IV. Raise multicultural level and respect for the disadvantaged

A. Formulate a “NCC Policy Framework for Fostering Multiculturalism and Respect for the Rights and Interests of the Disadvantaged”

The power of society in Taiwan is very strong. After democracy, society developed towards multiple issues. Issues on language, culture, race, sex, class or even the provincial divide are all connected with the trend of the policies made by the country. The commission has drawn up this program in accordance with the legislative purpose of the Communications Basic Law.

Communications are closely connected with people’s lives. As well as encouraging the multiple display of communications media and content, to some people who are limited by a political and economic disadvantage and the assemble and monopoly of media, it is also necessary to establish a communications management system to enhance multiple culture and respect of disadvantaged groups to effectively meet people’s expectations. Therefore the commission has drawn up a “Policy and Program of Promoting Multiple Culture and Respect of Disadvantaged Groups’ Rights and Interests” as the foundation of the commission’s future operation and modification of regulations.

B. Create a mechanism for public and private groups to participate in communications regulation

Society in Taiwan is becoming more and more diverse, the democracy of politics is developing, people’s abilities are improving and becoming more mature, their interest and consciousness in participating in public utilities is greatly increasing and more civil organizations are appearing. These organizations are considered as a third department after the public department and the private department and they have a relationship with the public departments as companies, supervisors and supervisees. In a civil society, both the decision and operation of public matters can be driven by the power of these civil organizations.

The NCC is an independent organization and should attach more importance to the participation of civil organizations than general administrative organizations. Therefore, it should invite civil organizations to participate when holding public meetings, explanation meetings and hearings on national communications. Besides, considering the management of communications content involves the judgment of freedom of speeches, social development, multi-culture and industry development, it should allow society participate and reflect different concepts and views in order to suit society’s pulse and expectations and raise administrative broadness and effectiveness. Due to the fact that civil society is gradually being shaped, the commission should expand people’s participation at the proper time and draw up “the System for People to Participating in the Supervision of Communications”. It should invite more people and organizations to participate and practice in the spirit of

discussion-oriented democracy of the supervision of communications.

The following steps are initially made to promote the supervision system

1. To invite people to participate in the establishment of relevant policies or notary meeting hearings held by the administrative sanction department.
2. To enact the “Action Program of National Communications Commission on the System for People to Participating in the Supervision of Communications”.
3. To increase the sort and ratio of the representatives of civil organizations taking part in the “Broadcasting and Television Program Advertisement Consultative Conference”.
4. To respond immediately to people’s opinions concerning inappropriate communications content and increase the efficiency in the dealing of relevant irregular cases.

C. Take Care of the disadvantaged to use communications resources

1. Expand communications preferential schemes for the disadvantaged

Communications business is relevant to the development of the social and people's livelihood. Though science and technology development and applications make progress at a tremendous pace as well as the access to communications services are regarded as people's basic rights and interests in the 21st century. There still are disadvantaged groups who cannot share the results of communications development fruits fairly, therefore forming a digital divide. All country's governments gradually attach great importance to the supply of digital access opportunities to the whole nation. The NCC will expand the plan of preferential communications measures for the disadvantaged and revise Article 15 of the “Regulations on Telecommunications Universal Service” to extend the scope of preferential broadband communications.

In practice, the NCC will encourage the operators to provide preferential schemes of communications services for the disadvantaged to share the social responsibility in order to promote their corporate image. Also, the NCC will draw up concrete measures to help the disadvantaged to access broadband communications services favorably. Those who are eligible for the preferential schemes are listed below:

- (1) Primary and secondary schools
- (2) Community colleges and aboriginal community colleges
- (3) Public and private libraries
- (4) Non-profit organizations
- (5) Community medical stations and units in remote areas
- (6) Community centers and development associations in remote areas
- (7) Communions, churches and temples in remote areas
- (8) Digital opportunity centers in remote areas

(9) Low-income households

(10) Physically and mentally disabled citizens

2. Promote an assistance plan for broadband use by the disadvantaged in remote areas

To realize the purpose of “Popularization of the service of maintaining human dignity, respect disadvantaged groups’ rights and interest” revealed in the “broadcasting communication basic law”, we plan to enhance the cooperation of colleges and remote area schools and community centers (community development associations). We continuously provide various network resources of broadband communications in remote areas for disadvantaged groups by conducting broadband communication training camps to improve the ability of using information, promoting the development of community culture and local industries, activating economy and balancing the urban and rural level, and narrowing the provincial divide.

3. To promote the convenience for visually impaired people with communication technology

With the development of science and technology, looking for ways to benefit disadvantaged people has become the main concern in countries and industries alike.

To respect disadvantaged groups’ rights and interests, we have therefore opened a special frequency and constituted relevant technology regulations, to lead the industry to develop relevant products for disadvantaged people and enjoy the convenience of using new technology in daily life.

To improve the convenience for visually impaired people, the commission will constitute regulations of Low-power Radio-frequency Devices Technical Specifications for the government with RF harmony share or a special frequency channel.

D. Implement access to cable radio and TV public access channels and digital radio and TV public channels

According to Article 2 of the second paragraph of the “cable broadcasting television law”, cable TV system operators must provide special channels of public commonwealth, art and literary, social education etc. for government offices, schools, groups and local residents. At present, cable TV operators set this channel to the third channel. The usage rate is very low due to the unclear management and the shortage of relevant resources. To resolve the above problems, we will encourage operators to deal in this public channel and improve service quality with the concept of showing concern to society. We will advocate the people to receive and watch the public channel, encourage and help people, art and literal organizations, non-governmental organizations, non-profit organizations and schools to use the free public channel and achieve the result of improving social consciousness. To increase

the effective use of this channel, we plan to add some programs on public commonwealth, art and literature, social education and enrich the contents and improve the quality in order to realize the multi-function of promoting people's use of media and of the public channel.

On the other hand, digital broadcasting could provide a multi-channel service. The operator must provide a channel without charge for special use when releasing its first digital broadcast. The digital operators who do not get a license shall also provide a free channel for special use and do services for the public good with the commercial mechanism of the digital broadcasting industry and responsibility of media public service.

Chapter 4. Conclusion

After the painstaking procedure of drafting and negotiation for more than three months, we have gradually finished the complex rules and systems. Without doubt, the submission of this administration plan is the first and most important step and is also the presentation of a macro view of the NCC as an independent regulatory agency. We have proved the idea that development of an organization is affected by the interior and exterior pressure without exception. On the outside, we continuously interact with the industrial and academic circles. According to the stipulation of “Administrative Procedure Act”, we hold hearings, explanation meetings, public information, and provide the sufficient administrative relief to those disciplined persons who recalcitrate the decision. On the interior restriction, we have adopted the collegial system and made decisions on important issues based on the absolute discussion of committee members. Not only all of the members who have different backgrounds hold different values, but also the colleagues come from the DGT and the GIO. With the trend of the times and the sense of vocation in digital convergence, we have made the running on flowing across each other, overcome interior and exterior pressure, display the new organization’s energy, plan out our nation’s communication and broadcasting wishes and goals, and draw up the administrative plan of 2006. We believe that it will create a multi-win result for the **“promote effective competition in digital convergence, encourage the sound development of communications, safeguard the rights and interests of the people and the consumers, and raise multicultural level and respect for the disadvantaged”**.