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Order Tong-Chuan-Chi No. 09940024110

Chapter	1	General	Provisions
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Article	1
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These Regulations are enacted in accordance with the provisions of Paragraph 9, Article
16 of the Telecommunications Act (hereinafter referred to as "this Act").

Article	2
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The terms of these regulations are defined as follows:

1. Network interconnection: it refers to the network connection made by certain telecom enterprise in order to enable its subscribers to communicate with subscribers of other telecom enterprises or to access services rendered by other telecom enterprises.
2. Mobile telecommunications network: it refers to the telecommunications network composed of mobile telecommunications system and related cables and equipment.
3. Fixed telecommunications network: it refers to the telecommunications network composed of fixed telecommunications system and related cables and equipment.
4. Satellite mobile telecommunications network: it refers to the telecommunications network between satellite systems and mobile earth radio stations or other earth stations.
5. Mobile telecommunications network enterprise: it refers to telecommunications business that sets up mobile telecommunications network for mobile telecommunications service operation.
6. Fixed telecommunications network enterprise: it refers to telecom enterprises that set fixed telecom network for local telecommunications service, long distance telecommunications

service, and international telecommunications service.

7. Satellite mobile telecommunications network enterprise: it refers to the telecom enterprise that sets satellite mobile telecommunications network for satellite mobile telecommunications service operation.

8. Local telephone business area: an area that is defined according to the administrative region of county (city), which serves as the service scope of local telephone exchange systems, and the telephones installed in this area shall communicate at a rate of local calls.

9. Tariff: it refers to the charge collected by the telecom enterprise from subscribers for rendering telecommunication services with telecommunications equipment.

10. Cost: it refers to the cost of telecommunications service containing reasonable returns on investment.

11. Total element long run incremental cost (TELRIC): it refers to the long run forward-looking cost added to telecom enterprises for making use of equipment and their functions related to unbundled network elements directly or indirectly in order to offer network interconnection.

12. Dominant market player of Type I telecommunications enterprises: means the operator as defined in Article 10 of the Administrative Regulations Governing Tariffs of Type I Telecommunications Enterprises.

13. Point of interconnection: the substantial conjunctions set for network interconnection between telecommunications enterprises.

14. Call-by-call selection service: when subscribers make long-distance or international calls, the telecommunications network of call-by-call service providers shall connect the calls automatically according to the ID of the long-distance telecommunications network or international telecommunications network accessed by users.

15. Wholesale resale service: it refers to the service as defined in Paragraph 1 of Article 2 of the Administrative Rules on Type II Telecommunications Businesses.

16. Mobile resale service: it refers to the service as defined in Paragraph 1 of Article 2 of the Administrative Rules on Type II Telecommunications Businesses.

17. E.164 Internet telephony service: it refers to the service as defined in Paragraph 1 of Article 2 of the Administrative Rules on Type II Telecommunications Businesses.

18. Mobile type selection service providers: it refers to the providers as defined in Paragraph 1 of Article 2 of Regulations Governing the Equal Access Service.

Article

3

These Regulations are applicable to the network interconnections between Type I telecommunications enterprises and between Type I telecommunications enterprises and Type II telecommunications enterprises.

These Regulations are applicable to the matter of network interconnections between the telecommunications enterprises that apply for the operation of Type I telecommunications service and have obtained the Establishment Approval, or between the aforesaid Type I telecommunications enterprise and other telecommunications enterprise.

Chapter 2 Network Interconnection between Type I Telecommunications Enterprises

Section One – Principles of Network Interconnection

Article 4

Among Type I telecommunication enterprises, when one enterprise demands network interconnection with another enterprise, the other party is not allowed to refuse. The preceding paragraph shall not apply if the Directorate General of Telecommunications (hereinafter refer to as “the DGT”) approves, and either of the following circumstances exists:

1. Such interconnection is not technically feasible; or
2. Such interconnection may likely affect the security of telecommunications equipments.

Article 5

The network interconnection among Type I telecommunications enterprises shall be economically, technically and administratively efficient.

Article 6

Type I telecommunications enterprises provide themselves, their affiliates or other telecommunications enterprises with network interconnection service, and the price, quality and other interconnection conditions shall meet the principle of being just, reasonable and non-discriminatory.

The information obtained by Type I telecommunications enterprises during negotiation on network interconnection or during implementation of the network interconnection agreement can but be used for services related to network interconnection, and proper secrecy measures shall be taken to ensure that the information keeps from using by other affiliates or third parties. While if there is other agreement between telecommunications enterprises that does not act against these Regulations, the agreement shall prevailed.

Section Two – Principles for Setting Points of Interconnection

Article 7

When Type I telecommunications enterprises provide network interconnection service, the interconnection points shall be established as required through negotiations.

When a dominant market player of Type I telecommunications enterprises offers network interconnection service, the interconnection points shall be set up at any points that are feasible in technology. When a dominant market player of Type I telecommunications enterprises is unable to set up interconnection points, it shall provide reasons therefor in writing to the party that demands network interconnection.

The following interconnection points are feasible in technology:

1. Local switches.
2. Local tandem switches.
3. Toll switches.
4. International switches.
5. Dedicated tandem switches.
6. Signal transfer points.

7. Cross-connection points.

8. Other precedents of points of interconnection.

Following principles shall be followed in evaluating the technical feasibility:

1. It shall be considered whether the network interconnection affects the security or reliability of telecommunications networks.

2. Space, location and economic factors are not allowed to be used as reasons for technical unfeasibility.

A dominant market player of Type I telecommunications enterprises may set up interconnection points beyond the technically feasible points set forth in Paragraph 3 as required by other Type I telecommunications enterprises and may collect charges for such points, based on actual cost.

Article 8

The network interconnection between Type I telecommunication enterprises shall have a definite liability boundary, and equipment or adequate measures for demarcation shall be set up to separate the telecommunications equipment of the enterprises.

The liability boundary, and equipment and adequate measures for demarcation set forth in the preceding paragraph shall be handled according to the agreement between both parties of the network interconnection.

Article 9

The equipment capacity and interconnected transmission circuits of the points of interconnection shall be adequate to achieve sound telecommunications quality and traffic flow.

The telecommunications quality of the network interconnection between Type I telecommunications enterprises shall meet the service quality specifications set by the DGT.

Article 10

The telecommunications enterprises that are interconnected shall be responsible for maintaining the linkage from each network terminal to the point of interconnection.

Article 11

Except as otherwise provided hereunder, the equipment configuration and maintenance, location and associated costs of the network interconnection between Type I telecommunications enterprises shall be decided through negotiation.

Calculation of the above-mentioned costs by a dominant market player of Type I telecommunications enterprises shall meet the principles of cost orientation, fair and reasonable, and non-discrimination.

For network interconnection between Type I telecommunications enterprises, space for the installation of related telecommunications equipment shall be offered upon the request of the party that demands network interconnection.

Where Type I telecommunications enterprises have provided evidences that they are unable to offer installation space pursuant to the preceding paragraph, other space shall be

offered for the installation of related equipment for network interconnection by the enterprises requesting network interconnection; provided that the related interconnection equipment shall be provided by the enterprise that requests network interconnection.

Article 12

Type I telecommunications enterprises shall, in sequence, adopt technical specifications prescribed by the DGT, national standards, international standards or interconnection terms and conditions for existing telecommunications systems, which shall be the installation standards for signaling, transmission, synchronization, traffic volume or necessary traffic data exchanges functions.

In absence of the installation standards set forth in the preceding paragraph, it is decided by Type I telecommunication enterprises through negotiation.

Section Three – Cost of Network Interconnection

Article 13

Related service fees for network interconnection are as follows:

1. Network interconnection setup charge: it refers to the one-time cost for network interconnection establishment between Type I telecommunications enterprises.
2. Access charge: it refers to the cost calculated on the basis of duration of the network communications using network interconnection.
3. Transit charge: it refers to the charge paid to the other Type I telecommunications enterprise, through whose network the communication between networks of two Type I telecommunications enterprises are completed for the networks of two enterprises, which are partly or completely not well interconnected.
4. Connection charge or other equipment rents: it refers to the cost for leasing links or other equipment in order to construct the network interconnection circuits.
5. Other auxiliary charge: it refers to the costs for providing other services.

The fees in the preceding paragraph shall be handled as follows:

1. The access charge and connection charge are assumed by the party that receives the tariff; nevertheless, specific agreement follows if there is any negotiation with the connection charge by the interconnecting enterprises.
2. The transit charge is assumed by the party that leads to the reason for the switching, and it shall be determined through negotiation if there is no reason for the switching.
3. Other costs shall be assumed by the party that requires interconnection and results in the cost increase of the other party.

If the traffic volume between two networks exceeded the bearing capacity of the direct interconnection circuit or bandwidth and requires network switch, the resulted cost shall be negotiated by related enterprises, and the provisions of Item 2 in the preceding paragraph are not applicable.

Article 14

Except as otherwise provided hereunder, the access charge of Type I telecommunications enterprises shall be determined through negotiation between both parties of the network

interconnection.

Calculation of the above-mentioned charge shall meet the principle of cost orientation, fair and reasonable, and non-discrimination.

The access charge of a dominant market player of Type I telecommunications enterprises shall be figured out pursuant to the following principles in accordance with the cost of the applied relay, transmission and switching equipment, which shall be reviewed regularly each year:

1. The access charge shall be determined by the costs of the unbundled network elements in service; and
2. The cost mentioned in the preceding paragraph shall be figured out on the basis of TELRIC.

The access charge figured out by a dominant market player of Type I telecommunications enterprises shall be verified by the DGT in advance, and it also applies to its modification.

In order to maintain the competition environment, consumer benefits and other public interests, the DGT shall modify the access charge submitted by the dominant market player of Type I telecommunications enterprises during verification.

Article 15

For network interconnection between the dominant market player of Type I telecommunications enterprises and other Type I telecommunications enterprises, the tariff shall be figured out as provided in the preceding article, which shall be paid to other Type I telecommunications enterprises as the access charge.

Article 16

A dominant market player of Type I telecommunications enterprises shall disclose the calculation method for the access charge to the DGT. If the party that requests interconnection is doubtful about the proposed access charge, it may apply for crosscheck from the DGT, and the DGT shall reply the applicant the checked result in writing.

The DGT shall demand the dominant market player of Type I telecommunications enterprises to provide related information for the purpose of the said check.

Article 17

A dominant market player of Type I telecommunications enterprises shall unbundle its network elements.

The unbundled network elements shall contain the following:

1. local subscriber loops;
2. local switch transmission equipment;
3. local trunks;
4. toll switching transmission equipment;
5. long-distance trunks;
6. international switching transmission equipment;
7. network interface equipment;

8. directory equipment and service; and
9. signaling network equipment.

Article 18

With feasible technologies, Type I telecommunications enterprises shall agree to set up the access point of local subscriber loops on the distribution frames of the local exchange office, MDF or distribution frames of subscribers' buildings, or cabinets at curbside.

The tariff of unbundled network elements leased by other Type I telecommunications enterprises, unless otherwise provided by laws or regulations, shall be determined through negotiation between both parties; provided that the tariff for network bottleneck facilities shall be charged on a cost basis.

The charges of Type I Telecommunications Enterprises leasing its twisted-pair local loop to other Local network business operator shall be calculated by the historical cost method and shall be approved by the [authority](#) in advance each year.

Section Four – Ownership of Tariffs

Article 19

The tariffs sharing between Type I telecommunications enterprises shall be determined in accordance with this Chapter, or determined through negotiation between Type I telecommunications enterprises if matters not provided in this Chapter.

Article 20

Except for international communications, ownership of the tariffs for the communications between mobile telecommunications network and fixed telecommunications network shall accord with the following principles:

1. The tariff is collected from the call-originating subscribers by the call-originating telecommunications enterprises pursuant to the pricing of the mobile telecommunications network enterprises; revenue from the tariff shall belong to the mobile telecommunications network enterprises. However, from 1 January 2011, the tariff shall be both priced and collected from the call-originating subscribers by the call-originating telecommunications enterprise; revenue from the tariff shall belong to the call-originating telecommunications enterprises as well.

2. The call-originating telecommunications enterprises shall be responsible for the bad debts, and their duty for paying associated costs to the call-receiving telecommunications enterprises shall not be exempted due to such bad debts.

From 1 January, 2011 to 31 December, 2016, the dominant market player shall pay mobile telecommunications network enterprises the relevant amount stipulated in the table.

The payment referred to in the preceding paragraph means that the dominant market player shall pay mobile telecommunications network enterprises the amount during the period of six years from 1 January, 2011 to 31 December, 2016 due to the ownership of pricing and revenue from the tariff transferred to call-originating telecommunications enterprises.

Article

21

Ownership of the tariffs for international communications using mobile telecommunications networks, unless otherwise provided by laws or regulations, shall follow the following principles:

1. The tariff for international communications is collected from the call-originating subscribers by the mobile telecommunication network enterprises pursuant to the pricing of the Type I telecommunications enterprises who are engaged in international telecommunications, and the revenue from the international tariff belongs to the Type I telecommunications enterprises who are engaged in international telecommunications; mobile telecommunications network enterprises may make extra charges from their subscribers pursuant to the approved pricing schedules;

2. In respect to international calls originating and receiving by subscribers of mobile telecommunications networks, the expenses paid to mobile telecommunications network enterprises by the Type I telecommunications enterprises engaged in international telecommunications shall be determined through negotiation between both parties;

3. The call-originating telecommunications enterprises shall be in charge of the bad debts, and their duty for paying associated costs to the call-originating telecommunications enterprises shall not be exempted due to the bad debts.

For the provisions set forth in Item 1 of the preceding paragraph, namely collecting tariff from the call-originating subscribers and Item 3, it may follow if there are any agreement among Type I telecommunications enterprises.

Article

21-1

When the pre-paid card subscribers of mobile type selection service providers adopt international network telecommunications services offered by Type I telecommunications enterprises by means of call-by-call selection service, except as otherwise provided hereunder, the collection of international communications tariffs and the duty of bad debts between mobile type selection service providers and Type I telecommunications international network business shall be handled as follows, and the preceding Article concerning ownership of the tariffs and duty of bad debts shall not apply:

1. If there is any negotiation , follow the specific agreement .
2. If there is not any negotiation , the following principles shall apply :

(1) Before the communication link is set up, if the mobile type selection service providers inform the international network business operator in a proper manner that the call is made by a pre-paid card subscriber, the international network business operator shall collect international communication fee from the subscriber and be in charge of bad debts.

(2) Before the communication link is set up, if the mobile type selection service providers do not inform the international network business operator in a proper manner that the call is made by a pre-paid card subscriber, the mobile type selection service providers shall collect international communication fee from the subscriber and be in charge of bad debts.

The proper manner mentioned in the preceding Paragraph means that the mobile type selection service providers, before the communication channel has been established, add signals in signalling link, set up dedicated international communication links for pre-paid card subscribers, add signals in the international number dialed by pre-paid card subscribers, or other methods agreed by international network business operators , so the operators can judge whether the calls are made by pre-paid card subscribers before the international communication links are set up .

Mobile type selection service providers and international network business operators shall negotiate with each other for the proper manner mentioned in Paragraph 1, and amend or re-sign a network interconnection agreement. If the negotiations cannot be successfully concluded, either party shall apply to the DGT for arbitration according to the Regulations Governing Network Interconnection among Telecommunications Enterprises.

If international network business operators do not obtain the agreement of mobile type selection service providers to be the one in charge of the collecting communication fee and bad debts. In consideration of bad debts risk or difficulties of billing, the operators may stop affording the international service to those pre-paid card subscribers who belonging to the above- mentioned mobile type selection service providers by not setting up the communication routes connected to the operators' network , and shall simultaneously submit a written report to the DGT for reference.

Article

22

For communications between mobile telecommunications networks, the tariff is priced by the call-originating telecommunications enterprise and collected from the call-originating subscribers. Revenue from the tariff belongs to the call-originating telecommunications enterprises. The call-originating telecommunications enterprises shall be in charge of the bad debts and their duty of paying related costs to the call-receiving telecommunications enterprises shall not be exempted due to the bad debts.

For communications between fixed telecommunications networks, ownership of the tariffs shall follow the following principles:

1. For communications between local telecommunications networks, the tariff is priced by the call-originating telecommunications enterprises, and collected from the call-originating subscribers, and the revenue from the tariff belongs to the call-originating telecommunications enterprises.
2. Where a long-distance call originating and receiving from a subscriber of a local telecommunications network service, the tariff is priced by the telecommunications enterprise engaged in long-distance telecommunications and collected from the subscribers using its network. The revenue from the tariff belongs to the telecommunications enterprises engaged in long-distance telecommunications.
3. Where an international call originating and receiving from a subscriber of a local telecommunications network service, the tariff is priced by the telecommunications enterprise engaged in international telecommunications and collected from the subscribers using its network. The revenue from the tariff belongs to the telecommunications enterprises engaged in international telecommunications.
4. The telecommunications enterprises who own the revenue of tariffs shall be in charge of the bad debts, and their duty for paying associated costs to other Type I telecommunications enterprises shall not be exempted due to the bad debts.

Ownership of the tariffs for communications between satellite mobile telecommunications networks, and between satellite mobile telecommunications network and fixed telecommunications network/mobile telecommunications network shall follow the following principles:

1. The tariff is priced and collected by the call-originating telecommunications enterprise.
2. The revenue from the tariff belongs to the call-originating telecommunications enterprise.
3. The call-originating telecommunications enterprises shall be in charge of the bad debts, and their duty for paying associated costs to other telecommunications enterprises shall not be exempted due to the bad debts.

For the provisions set forth in the preceding paragraph, it may follow if there are any agreement among Type I telecommunications enterprises.

Ownership of the tariffs for communications between E.164 Internet telephony Type I telecommunications and mobile telecommunications network/ local telecommunications networks/ satellite mobile telecommunications networks shall be decided on the following principles:

1. The tariff is priced and collected by the call-originating telecommunications enterprise. The revenue from the tariff belongs to the call-originating telecommunications enterprise.
2. The call-originating telecommunications enterprises shall be in charge of the bad debts, and their duty of paying related costs to other telecommunications enterprises shall not be exempted due to the bad debts.

Type I telecommunications enterprises shall establish communications recording equipment, and provide communication records in a proper way for verification by interconnected enterprises.

Type I telecommunications enterprises shall adopt alternative measures in case they are unable to follow the stipulation set forth in the preceding paragraph due to the restriction of network equipment.

The telecommunications records to be verified set forth in Paragraph 1 shall include the telecommunications numbers of the originating party, the telecommunications numbers of the receiving party, the date of communications, and the beginning and the end of communications; where the switching network or receiving network, the records shall include the information regarding the route and circuit thereof.

Type I telecommunications enterprises shall comply with the non-discrimination principle when providing billing services to each other in relation to network interconnection.

In order to verify the billing between Type I telecommunications enterprises, the transit network enterprises shall provide the verified switching communication records of each originating network enterprise as requested by the receiving network enterprises.

The telecommunications network equipment of Type I telecommunications enterprises shall be capable of providing the receiving networks and subscribers with the telecommunication numbers of originating subscribers, which shall be sent to the receiving networks on line in real time when handling the communication calling. If communication is sent by the way of transit, the transit network enterprises shall transfer the telecommunication numbers of originating subscribers to the receiving networks.

The transit network enterprises shall pay international termination access charge to the receiving network enterprises if receiving network enterprises provide the evidence that transit network enterprises have transited traffic with no or incomplete originating subscribers numbers, and the receiving network enterprises are unable to ask for access charge from

call-originating

telecommunications

enterprises.

The telecommunications numbers of subscribers provided in preceding 2 paragraph refer to the telecommunications numbers allocated pursuant to Item 1, Article 20 of this Act.

Section Five – Network Interconnection Agreement and Procedure of Arbitration

Article

26

The network interconnection agreement between Type I telecommunications enterprises shall be negotiated by the interconnecting enterprises, and a written agreement shall be signed.

Except the long-distance telecommunications between local network service enterprises in different local telephone business areas, if the communication between two Type I telecommunications enterprises needs to be switched through the network of other Type I telecommunications enterprises, the network interconnection agreement shall be negotiated by related Type I telecommunications enterprises jointly, and a written agreement shall be signed together.

No written agreement is reached pursuant to the preceding paragraph, the telecommunications enterprises are not allowed to receive or transmit telephone traffic requiring switching.

The written agreement of interconnection between Type I telecommunications enterprises shall be submitted to the DGT in written form for reference within one month after it is completed.

The DGT may disclose a part or the whole of the interconnection agreement between dominant market players of Type I telecommunications enterprises and other Type I telecommunications enterprises. Upon request, the DGT may elect not to disclose such portions of the agreement related to patent or other intellectual property rights.

Article

27

The network interconnection agreement mentioned in the preceding article shall contain following items at least:

1. A description of the business types of both interconnecting parties;

2. Identification of the transmission linkage provider for network interconnection;
3. Principle of and service quality regulations for access to points of interconnection;
4. Interface specifications and other related requirements on network interconnection;
5. Network planning of both parties, including telephone traffic forecasts, notification deadlines for network design changes, improvement of the access completion ratio and the handling of the increase and decrease of interconnected transmission circuit bandwidth;
6. Network interconnection charges;
7. The calculation method of the access charges, connection charges, transit charges, billing service, sharing of billing costs, accounting check, error account correction and other matters concerning account apportionment;
8. The method of collection of tariff from subscribers;
9. Dispute settlement procedures;
10. Matters related to the amendment, modification and termination of the written agreement;
11. Matter related to confidentiality of information and the scope of exemption for both parties;
12. Other matters relates to location sharing if there is a shared location.

Article

28

Network interconnection agreement shall be reached, proposed to modify or redrafted within three months from the initial date of negotiation by other Type I telecommunications enterprises; if no agreement is reached within three-month period, either party to the negotiation shall be entitled to file a written application to the DGT for arbitration, and a duplicate of the application shall be delivered to the other party concerned.

If the network interconnection agreement is not implemented between Type I telecommunications enterprises, either party may file a written application to the DGT for arbitration within the scope of items of the interconnection agreement set forth in the preceding article, and a duplicate of the application shall be submitted to the other party concerned.

The written applications as referred to in the preceding two paragraphs shall include at least the following particulars:

1. Names of parties concerned, primary offices and names, residences and ID numbers of representatives;
2. Names, residences and ID numbers of authorized proxies if any;
3. Statements and reasons on issues for arbitration;
4. The initial date of negotiation and process of negotiation; and
5. Matters that have been reached consensus or remained unresolved during the negotiation.

Among Type I telecommunications enterprises, an agreement not reached within three months from the date one party requested for network interconnection, the DGT may ex officio make investigation and make arbitration if, in its opinion, there is a likelihood that the case will be detrimental to the public interest.

The DGT may, before making arbitration ex officio pursuant to the preceding paragraph, demand Type I telecommunications enterprises with regard to the network interconnection to negotiate, and those telecommunications enterprises shall not decline.

Article

29

In one of the following cases, the DGT shall reject the arbitration application; provided that the DGT may demand correction of them within a given time if the case could be made up for:

1. The party concerned in dispute is not a Type I telecommunications enterprise;
2. The matter concerned in dispute is not related to network interconnection;
3. The parties in dispute requesting for network interconnection, or modifying or redrafting network interconnection agreement have not entered into negotiation;
4. The three-month negotiation period since the request for network interconnection, or modification or redraft of network interconnection agreement has not lapsed;
5. Those who apply for arbitration of issues that have been arbitrated;
6. The arbitration application is not in line with the statutory requirements.

Article

30

In order to make an arbitration, the DGT may demand all parties concerned to make written statements ; if parties concerned refuse to make statements or fail to make statements within a given time, the DGT may make arbitration based on the information submitted by the party that requests arbitration and through the DGT ex officio investigations.

In order to make arbitration, the DGT may ask for related information from all parties concerned or inform them to make verbal statements, and may make necessary investigation on the facts of the case.

Article

31

The DGT shall complete the arbitral award within three months after it receives the arbitration application or from the date it initiates an ex officio investigation, and the duration may be extended for one month if necessary and all parties concerned shall be notified.

The term mentioned in the preceding paragraph shall start from the second day after the correction is made if the correction is demanded pursuant to Article [29], and it starts from the second day after the given period for correction expires even no correction is made.

The arbitral award shall include the following particulars at least:

1. Names of parties concerned, primary offices and names, residences and ID numbers of representatives;
2. Name, residences and ID numbers of authorized proxies if any;
3. Conclusion of the arbitration;
4. Facts;
5. Reasoning;
6. Date; and
7. A statement indicating that the intention of administrative ruling, and the procedure, time limit, and the agency for an appeal.

The DGT may make arbitration on a part or the whole case or decide a temporary plan depending on the negotiation situation of the said case.

The original copy of the arbitral award shall be served on all parties concerned within 10 days after it is made.

The parties concerned who do not agree with the arbitration made by the DGT may request for relief in accordance with the administrative proceedings.

Article 32

The DGT may establish the arbitration working group in order to settle the disputes on network interconnection.

Chapter 3 Network Interconnection between Type I Telecommunications Enterprises and Type II Telecommunications Enterprises

Article 33

Except as other laws and regulations provided, the Type I telecommunications enterprises shall not refuse the direct interconnection requested by Type II telecommunications enterprises without reasonable ground.

For one of the following cases that are verified by the DGT, the preceding paragraph regarding network interconnection is not applicable:

1. No technical feasibility.
2. It may affect the security of the telecommunications equipment.

Article 34

The sharing of tariff for network communications between a Type I telecommunications enterprise and a Type II telecommunications enterprise shall follow the provisions in this Chapter, and it may decide through negotiation between telecommunications enterprises if it is not provided in this Chapter.

For Type I telecommunications enterprises that are directly interconnected with Type II telecommunications enterprises, their telephone traffic generated due to switching to Type II telecommunications enterprises shall be negotiated with other Type I telecommunications enterprises and related cost shall be paid.

Article 35

Ownership of tariffs for communications between fixed telecommunications network and Type II telecommunications enterprises that offer long-distance or international telecommunications service shall follow the following principles:

1. When local network service subscribers use long-distance telecommunications in the mode of call-by-call selection service, the tariff is priced by Type II telecommunications enterprise engaged in long-distance telecommunications and collected from the subscribers using its network by means of call-by-call selection service. The revenue from the tariff belongs to the Type II telecommunications enterprises engaged in long-distance telecommunications.
2. When local network service subscribers use international originating or receiving call in the

mode of the call-by-call selection service, the tariff is priced by Type II telecommunications enterprises engaged in international telecommunications and collected from the subscribers using its network by means of call-by-call selection service. The revenue from the tariff belongs to the Type II telecommunications enterprises engaged in international telecommunications.

3. The expenses paid to Type I telecommunications enterprises that are directly interconnected with by Type II telecommunications enterprises shall be determined through negotiation between both parties.

4. Type II telecommunication enterprises shall be in charge of the bad debts, and their duty for paying associated costs to the Type I telecommunications enterprises that are directly connected with shall not be exempted due to the bad debts.

Article

36

Ownership of tariff for communications between mobile telecommunications network and Type II telecommunications enterprises that offer international telecommunications service shall follow the following principles:

1. When mobile telecommunication network service subscribers use international originating or receiving call in the mode of the call-by-call selection service, the tariff is priced by Type II telecommunications enterprises engaged in international telecommunications and collected from subscribers using its network by means of the call-by-call selection service. The revenue from the tariff belongs to the Type II telecommunications enterprises engaged in international telecommunications.

2. The expenses paid to Type I telecommunications enterprises that are directly interconnected with by Type II telecommunications enterprises shall be determined through negotiation between both parties.

3. Type II telecommunication enterprises shall be in charge of the bad debts, and their duty for paying associated costs to the Type I telecommunications enterprises that are directly connected with shall not be exempted due to the bad debts.

Article

36-1

Ownership of the tariffs for communications between E.164 Internet telephony Type II telecommunications and E.164 Internet telephony Type I telecommunications/ mobile telecommunications network/ local telecommunications networks/ satellite mobile telecommunications networks shall be decided on the following principles:

1. The tariff is priced and collected by the call-originating telecommunications enterprise. The revenue from the tariff belongs to the call-originating telecommunications enterprise.

2. The call-originating telecommunications enterprises shall be in charge of the bad debts, and their duty of paying related costs to other telecommunications enterprises shall not be exempted due to the bad debts.

3. The expenses to be paid to Type I telecommunications enterprises that are directly interconnected with Type II telecommunications enterprises shall be determined through negotiation between both parties.

Article**37**

Type I telecommunications enterprises shall reach an agreement with Type II telecommunications enterprises within three months from the initial date of demanding network interconnection by the Type II telecommunication enterprises; if no agreement is reached within three-month period, either party shall be entitled to file a written application to the DGT for arbitration, and a duplicate of the application shall be delivered to the other party concerned.

The written application as referred to in the preceding paragraph shall include at least the following particulars:

1. Names of the parties concerned, primary offices and names, residences and ID numbers of representatives;
2. Names, residences and ID numbers of authorized proxies if any;
3. Statements and reasons on issues for arbitration;
4. The initial date of negotiation and process of negotiation.
5. Matters that have been reached consensus or remained unresolved during the negotiation.

The written agreement of interconnection between Type I telecommunications enterprises and Type II telecommunications enterprises shall be submitted to the DGT in written form for reference within one month after it is completed.

The DGT may disclose a part or the whole of the interconnection agreement between dominant market players of the Type I telecommunications enterprises and other Type II telecommunications enterprises. Upon request, the DGT may elect not to disclose such portion of the agreement related to patent or other intellectual property rights.

Article**38**

In one of the following cases, the DGT shall reject the arbitration application; provided that the DGT may demand correction of them within a given time if the case could be made up for:

1. The party concerned in dispute is not a Type I telecommunications enterprise or not a Type II telecommunications enterprise announced in Paragraph 8, Article 16 of this Act;
2. The matter concerned in dispute is not related to network interconnection;
3. The parties in dispute requesting for network interconnection have not entered into negotiation;
4. The three-month negotiation period since the request for network interconnection has not lapsed;
5. Those who apply for arbitration of issues that have been arbitrated;
6. The arbitration application is not in line with the statutory requirements.

Article**39**

Provisions of Articles 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, Paragraph 1 to 5, 7, 8 of 25, 27, 30, 31 and 32 are applicable to the network interconnection between Type I telecommunications enterprises and Type II telecommunications enterprises.

Provisions of Articles 20, 21, 22, 23, 24 and 24-1 are applicable to ownership of the tariff for communications between the operators engaged in wholesale resale service or mobile

resale service and Type I telecommunications enterprises.

Article 40

The scope of the Type II telecommunications enterprises that apply to Articles 33, 34, 35, 36, 37, 38 and 39 shall be announced by the DGT pursuant to Paragraph 8 of Article 16 of this Act.

Article 41

The network interconnection between Type II telecommunications enterprises that are not announced subject to the preceding article and Type I telecommunication enterprises shall be negotiated by interconnected enterprises.

Chapter 4 Supplementary Provisions

Article 42

These Regulations shall become effective as of the date of promulgation.