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4G/LTE MOBILE BROADBAND COMPETITION AND THE CRITICAL ROLE OF LAW AND REGULATION - A TAIWAN CASE STUDY

Abstract:

Mobile broadband services play a key role of our daily communication, operation and entertainment. More than 393 4G/LTE networks have been commercially launched in 138 countries by March 2015 (GSA 2015). According to Vanson Bourne's survey of 2014, six in ten UK organisations hope to harness the potential of the 4G coverage, but only one in ten organisations have already started making changes in recognition of 4G coming into place.

Taiwan joins the high speed mobile broadband club with its 4G/LTE commercially launch in May 2014. This paper examines the mobile broadband service market in Taiwan, illustrating the development of Taiwan's broadband market and its connection with the progress of digital convergence. It aims to draw a general picture of existing broadband market and how potential competition can be developed in responding to both market and legal viewpoints.

This paper is based on four parts. The first part provides a brief introduction of Taiwan's broadband market. The second part analyses Taiwan's mobile broadband environment and its competition aspects, which include the dramatic 4G license auction in 2013 and the reshuffle of Taiwan's existing mobile broadband market. The third part provides an initial analysis on the business strategies and market deployment of existing 4G/LTE operators, demonstrating the 4G operator's efforts towards competition in a digital convergence era. The final part of this paper discusses the legal environment and regulatory issues in Taiwan, which includes on-going regulatory reform and recent legislative evolution. The controversial licensing policy for 4G/LTE broadband and the hardship case of Taiwan's Wi-MAX operators are also discussed in this section.

This paper concludes with views which reflect remaining concerns and deficits in law and regulation in creating a competitive broadband market environment. These, above all, include reassessing regulatory control and market definition in a digital convergence epoch; accelerating regulatory reform in order to promote cross-sectorial competition and innovative service deployment. Last but not least, we strongly suggest that predictable and sustainable spectrum policy, law and enforcement are the key towards a flourishing mobile broadband service market. In this, it is critical for the regulator to take innovative thinking and a brave leap to create a healthy and competitive legal environment, so that the existing and prospective market players, as well as the end users can all benefit from.

Keywords:

4G/LTE, Mobile Broadband Service, Digital Convergence, Regulatory Reform, Telecom Law and Regulation, Wi-MAX.