

Customer Service



S Strategy	Improve Service Development
M Management	Brand Management/ Customer Relations Management
A Address	Customer Satisfaction Survey/ Privacy Protection and Information Security/ Actively Explain Product Features
R Response	Ensuring Communications Quality/ Building a Broadband Network/ Mastering Policy and Regulation
T Target	Create an Open Creative Platform



- Received first prize in the telecommunications industry of the “Centennial Service Industry Quality Gold Award”.
- Received two major awards from the Asia Pacific Customer Service Consortium (APCSC) including “Customer Satisfaction Quality System of the Year” and “Best Use of Knowledge Management of the Year”.
- “Cultivating Taiwan Broadband Construction” received international recognition by being awarded “Best Asian Brand” and “Best Asian Employer”.
- Received the Taiwan top 100 brands communications and media service award from the Ministry of Economic Affairs.
- Received first place in Common Wealth Magazine’s “Gold Medal Service Award” in the telecommunications category and the only telecom selected into the top 10 cross industry ranking.
- 2011 Ninth “Global View Magazine’s” distinguished service award in the telecommunications category.
- Received the “Next Service Grand Prize” in the mobile fixed network category held by Next Media and first place in the “Eighth Annual Best Service Business”.
- The “Disaster Emergency Response System” received the Taiwan Geographical Information Society’s “Seventh Golden Map Award Best Application System Award”.
- Received first place in the Cloud Computing Association in Taiwan’s “Centennial Cloud Innovative Application Award of Excellence”
- Fourth consecutive first place in Business Today’s “Businessman’s Ideal Brand’s” telecommunications category.
- The only company in the telecommunications industry to receive “Taiwan’ 20 Top Innovative Industries in 2011” from the Ministry of Economic Affairs”.
- The only telecommunications brand to receive “Excellent Business Services Brand” from the Department of Commerce of the Ministry of Economic Affairs.
- Received the telecommunications service category award of Common Wealth’s “Taiwan’s Most Admired Company” for six consecutive years.
- Received ITS Taiwan’s “ITS Application Award” and “ITS Paper Award”.
- Achievements in the national technology program of network communications evaluated as an excellent plan.
- Technology Award in ITS Taiwan/Telematics “Splendid 100 Selection Event”.
- Participated in the “2011 Taipei International Invention Show and Technomart,” received 3 gold medals, 1 silver medal, and 2 bronze medals.



From Plains to Mountains

Whether on the plains or a mountain, the familiar Chunghwa Telecom logo is always easily seen; in faraway places, the Chunghwa Telecom logo further represents the communications channel between the people and the outside world.

Since promoting the work of corporate social responsibility, we have emphasized the importance of our commitment to customers. In order to establish a far-reaching communications range and good communications quality, in 2011 we invested several billion NTD on remote highways and mountainous regions to construct the most efficient telecommunications and communications infrastructure for Taiwan.

Improve Service Development

Combining the cloud and devices brings inexhaustible innovation and forward development. We utilize our ICT (information and communications technology) specialty to provide a comprehensive cloud service platform and high standard information security mechanisms to accelerate the ubiquity of cloud use.

Bringing Cloud to Homes – iHome Smart Phone

We have introduced the new home service “iHome Smart Phone” to address the modern “smart family’s” need for MICE (Monitor, Information, Communication, Entertainment). By combining NGN networks with cloud services and interconnected networks, the generic home phone can provide services of home monitoring and integration of online lifestyle information.

The “iHome Smart Phone” is of the same size as a home phone, combined with a 7-inch touch screen monitor to provide customers with home security, information services, communications services, and multimedia services, which can achieve many functions, including GPS, instantaneous road conditions, weather, and health services. A “user-friendly” spirit allows people of any age to easily use this device.



A household telephone becomes a web life data kiosk to instantly send images to far-away relatives.

Smart Medication

We partnered with the Show Chwan Health Care System to introduce all their medical facilities cloud into medical application services, which includes cloud electronic medical records, cloud nursing information system, Hence to create the nation’s first private medical cloud and open a new era of medical computing.

Furthermore, we partnered with Taidoc Technology to promote the “blood sugar & pressure management” cloud service system in 2011. Diabetic and high blood pressure patients can use the “Taidoc Cloud Service Gateway” at drug stores to log instrument measurement to the database. Patients can easily obtain personal blood status reports any time to enhance self-management and reduce extra medical usage. Meanwhile, reports can also be used for medical inquiry, which lead a big step forwards for a healthy society.

Living Parent-Child Cloud

To uphold the spirit for cloud platform, “innovation value and moved services”, we combine more monitors into a single structure. Hence we applied this cross-platforms into PCs, smart phones, tablet PCs, MOD digital set top boxes, etc., we customize and diversify rich digital learning links for parent-child product services that creates a convenient digital lifestyle.

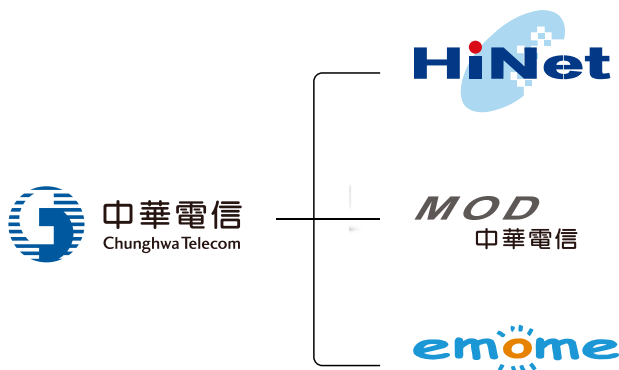
We partnered with the United Daily News Group to fulfill various household needs and provide preschool education cloud services to parent-child. In the future, we will move towards diversification, implementation for parent-child cloud services (family/education and community/personalized entertainments), and focus on the cross-straits and world Chinese markets to be the goal of the most influential Chinese parent-child brand.

Brand Management

Chunghwa Telecom possesses unique brand assets in Taiwanese society, which we continue to build on through brand management and added value. In 2011, Chunghwa Telecom won the platinum award of the telecommunications services section of the “Trusted Brand” award held by Reader’s Digest for the Asia Pacific region for the eighth consecutive year. We are the only Taiwanese telecommunications company to have won this honor.

Brand Frameworks

Chunghwa Telecom adopts concentrated brand frameworks that account for individualistic brand presentation. We have a Brand Manager (President) in place to undertake the supervision of all brand creation, design, management, and adjustments in the company, as well as communicating with the Deputy Brand Manager within each business group during CSR meetings. The Deputy Brand Managers for business groups (i.e. vice presidents of subsidiaries) follow the company’s overall brand strategies as they undertake implementation responsibilities, as well as flexibly and independently operating their own designated brands under authorized parameters.



Brand Strategies

- Brand Policy: concentrated strategies that account for the development needs of individual fields.
- Brand Management: the company’s Brand Manager is designated to handle the formulation, control, and adjustment of all brand strategies for the company, while subsidiaries are responsible for implementation.
- Brand Structure: concentrated brand structures that account for individualistic brand presentation.

New Appreciation from New Colors

We have always led the development of Taiwan’s telecommunications industry through solid experience and professionalism. In order to respond to the challenges of a new era, we have continuously transformed and enhanced ourselves and decided to promote a comprehensive and integral renovation on top of the foundation of our original CI (Corporate Identity System). We used bright orange, green, and blue ribbons to endow Chunghwa Telecom with a new spirit of technology, innovation, caring, growth, enthusiasm, and vitality, and a new corporate image. Not only was the external image reshaped and standardized, the identity and practice of overall internal concepts were even more highly emphasized. Every employee in the company is a brand operator. Every customer they face and every operational detail accumulates brand value and contributes to Chunghwa Telecom.

Starting from July 2010, approximately 300 business locations in Taiwan will gradually undergo store logo replacement. We hope to present a new sensation to the public with innovative corporate images that combine inspiring services. From 2011, many flagship stores will be established that will include neoadjuvant CI images and colors. From these flagship store displays, consumer recognition and impressions of these neoadjuvant CI images will be enhanced while simultaneously creating a new brand image.

Chunghwa Telecom’s new CI images, colors, and symbolic significance

- Orange: Passion, Energy
- Green: Growth, Care
- Blue: Technology, Innovation

Customer Relations Management

For better service integrity, we are enhancing not only the coordination between our business counters and call centers, but also our internet customer services. We received the honors of “Best Customer Satisfaction Quality Control System” and “Best Knowledge Management” from the “Customer Relationship Excellence Awards 2011” held by the Asia Pacific Customer Service Consortium in Hong Kong. In the future, we will continue participating in international customer relationship related award competitions, continuously enhance internal operating procedures, optimize customer relationships, and more actively learn from international customer service operations management and benchmark business models.

Multi-Channel Services

We are comprehensively improving customer service quality for every service channel, while enhancing coordination between business counters and call centers to provide integral services. In 2011, we are further enhancing internet customer services.

- Live web chat service:

For Instant Message (IM) users and for persons with hearing impairments, we have introduced text-based live web chat customer services. With continuous service expansion, all Chunghwa’s operations (mobile/fixed-line/broadband) are now covered.

- Internet communities:

To serve the ever-growing Internet community populations, in January 2010, we created a Facebook fan page “Chunghwa Telecom Dr. Q” to answer questions, proactively publish information such as FAQs and discount offers, and to gather customer suggestions for internal reference.

- Enhancing the web call center:

To save our customers the trouble of calling and visiting counters, we are increasing the scope of self-help services provided through the web call center.

- Plan for mobile customer service:

For the increasing number of smart phone users, a mobile version of the web call center and APPs for the iOS and Android platform have been planned to provide friendly access to our services anywhere.

Exquisite Services

For constant service quality improvement, customer satisfaction for our business counters, call centers, and equipment maintenance service centers are constantly measured by the in-house survey team. Consulting firms were also introduced to assist counters with service refinement and the service quality assurance mechanism through the evaluation of secret shoppers, so that any defects in customer service will be promptly detected and corrected. We were honored with the “First Line Service Quality Survey 2011 – 1st Place in the Telecommunications Industry” from Global Views.

Measures continually implemented in 2011 were:

- Emphasis on new technology equipment to generate new demand from customers. We established a professional technical service team, including online specialist instructors for smart phones to provide instantaneous, customized, and competent service.

- Proactive care: We proactively call customers to inform them of useful information, to care and listen to their needs, then to devise the most suitable solutions for them.

- Commissioned a consultancy to handle ad hoc counseling in the aspiring service element, define business counter service standards, and to instruct customer service staff in mastering the critical moment of contact with customers, and refine services.

- A dedicated internal aspiring service web site: In order to motivate our agents to provide sincere and inspiring services that are beyond customers’ expectations, a dedicated internal aspiring service web site was set up to share aspiring service cases. Award ceremonies are also held to recognize the best aspiring service cases.

Customer Satisfaction Survey

Chunghwa Telecom aims to aspire to the expectations of our customers. Our goal is to handle customer complaints within 3 days. We value customer satisfaction as part of our service indicators, and their recognition of our enterprise image, brand value, and quality of service. Therefore, we regularly commission third parties to conduct customer service satisfaction surveys. We regularly accept the NCC's telecommunications industry service quality surveys, and our evaluation scores in all criteria significantly exceed NCC's specified standard scores.

Customer Complaint Handling SOP

To ensure an open, result-driven complaint resolution process for customers, our service hotline processes passed ISO10002:2004 (Guidelines for Handling Customer Complaints), and we are the first and only domestic operator in the industry to pass such an international standard certification. Our target is to complete customer complaints within three business days.

Besides customer service hotlines, customers can file their complaints through our website (www.cht.com.tw) or PR hotline (02-2344-3691) authorized by our chairman. After cases are opened, they are passed to the customer complaints handling task force to be processed as urgent cases. Customers can enquire into case updates at any time via telephone and our customer complaints handling task force will inform customers of the latest updates on their cases. From August 2009 to the end of 2011, the numbers of our customer complaints have clearly fallen.

Complaints per 10,000 customers

	Fixed Network	Mobile	Data Network
August, 2009	2.63	4.81	10.2
December, 2011	0.97	2.53	1.27

Key Performance Indicators for Customer Service Hotlines

	2009	2010	2011	
	Actual Value	Actual Value	Target Value	Actual Value
Rate of Response within 20 Seconds	82.61%	82.9%	81.5%	77.9%
Customer Satisfactio	4.74	4.59	4.37	4.57
First Call Resolution Rate	86.17%	79.6%	74.45%	79%

Customer Service Satisfaction

There are three sources from which we survey customer satisfaction for service hotlines:

- 1) questionnaires mailed out once a year by our Marketing Department;
- 2) manual out dialing from our call centers;
- 3) automated surveys by the CTI system

The first method has individual KPI requirements with satisfaction calculated on a 10 point scale, result for 7.53 in 2011. The second and third methods are integrated as one KPI requirement calculated on a 5 point scale, result for 2011 was 4.57.

Customer Satisfaction Survey

To understand customer satisfaction levels for all aspects of service and recognition of our corporate image, brand values, and service quality, we contract external market research firms annually to conduct customer satisfaction surveys for consumer, and types of enterprises. Questions and expectations that they are highly concern are explored in all aspects of our business.

Through the Customer Opinion Process System (CPS), we can convey customer feedback opinions instantly to product administration, and operational units, risk management, and public relations department for further handling. Furthermore, product subsidiaries will assist by holding monthly review meetings with customer service units.

Customer Satisfaction Survey

	2009	2010	2011
Large Enterprises	4.67	4.77	9.45
Small and Medium Enterprises	4.34	4.36	8.68
Customer	3.73	3.81	7.17

Note: In 2011, the service satisfaction indicator was converted from a 5 point scale to a 10 point scale.

Privacy Protection and Information Security

We have established the “Fraud Disruption Operation System” (FDOS), which works with police units to prevent fraud. Also, we continue to monitor formulation of regulatory obligations of Internet Service Providers (ISP) in the drafting process of the “Regulatory Regulations on Commercial Spam Electronic Mail.”

Customer Privacy Service and Measures

In response to the upcoming implementation of the “Personal Data Protection Act,” an additional “Personal Data Protection Team” will be established under the “IT Strategy Committee”. We set up personal data safety training and awareness plan, personal data process analysis and inventory plan, risk assessment plan, which are all categorized as our KPI indicator.

In order to strengthen customer data protection, Chunghwa Telecom has categorized basic customer information as “top secret” documents and stored in locked counter. Employees are asked to sign the “Trade Secret Protection Contract” and their supervisors are jointly liable. Any outsourcing company is involved in trade secrets, must also sign related confidentiality agreements. Subsidiaries report protection status annually, headquarters perform random audits at customer service centers to enforce the implementation.

We treat the rights and interests of our customers as priority; we follow strictly to the Personal Information Protection Act and had never got beyond any range. We only collect data for legitimate and legal reasons. To work within the Act, we have taken the necessary safety and protection measures for all our information systems. At the network counter, for instance, the name of our customers will only be displayed as Mr. ○ or Ms. ○, the last four digits of the equipment SN number will be masked, and only 6 Chinese characters in the address will be displayed (ex. Yonghe District, New Taipei City), etc.

For the customer service line built for rapidly solve complaints in privacy and confidentiality, we established ISO9001 Suspected Leakage Handling Procedures to report and handle all privacy complaints, hence to protect personal information. In 2011, 112 suspected complaints of information leakage were reported, make up 0.00014% of the total complaints.

Fraud Prevention

We created the 165 reporting line in November 2007 to assist the government. As of 2011, it is operated by 11 customer service personnel on monthly basis to assist police bureaus in undertaking priority cases during peak hours. The FDOS, operated by 3 customer service personnel, was also created to provide suspicious fraud-like phone calls information to the police, which is to assist police units with the instant termination of fraudulent calls.

Internet Safety for Children

In order to allow children who are frequently online, we have introduced a time management and website for gate-keeping mechanism. This helps parents manage their children’s usage on information technology. This shows our concern not only on adult users, but also children and teenagers. Because we know the use of internet to access information matters for their maturity. Our operational expansion based on a mission of creating a safe and healthy society that allows the next generation to face less online harm.



Promoting healthy Internet use for children which were highly acclaimed.

Actively Explain Product Features

We are committed to providing a beautiful digital lifestyle. In order to allow customers to use our services without worries, in addition to proactively explaining product features and pricing when selling products, we also actively manage adult content to protect minors and perform actions such as abiding by electromagnetic radiation specifications, etc., to exclude potential negative effects.

Ensuring Transparency in Fees and Rates

Due to the issues of billing errors or costs derived from obstacles, we uphold the principle of cost transparency. In addition to actively notifying affected customers, we also release the reasons and methods for each event by customer service hotline through the company's internal message notification platform. This ensures correct responses when customers consult the hotline and reduce complaints.

We place great respect to customer complaints with regard to billing problems. We suspend the execution of payment reminders and service suspensions before responsible parties are identified, we have also established a special call center provide customers inquire to increase customer satisfaction.

Reduce Negative Impacts

Customers can use our services without worries only by eliminating the potential negative impact of telecommunications services. We also provide the following services:

- **Junk Mail:** By using a HiNet mailbox, customers can enjoy free webmail service. Through a simple setup, users can decide whether questionable e-mail will be automatically deleted in the future.
- **Adult Content:** Provides K12 mailbox forced isolation, HiNet Adult content gatekeeper, and mobile internet adult content security guard keep children and teenager far away from harmful websites.
- **Usage Time Control:** "HiNet Online Time Management Service" and mobile phone "3G Talk without Worry" programs, give parents effective control on mobile phone and online status.

Proactive Product Information

In order to unify information sources, and to correctly communicate the over 3,500 items of related product information annually, an internal website is established to be the information storage area, hence to undertake the pre and after-sales service of the products. This is a joint channel for all related subsidiary departments to provide product information. Trained personnel are also alerted to audit information content, timeliness, and upload data to customer service center. Hence to provide service personnel references for inquiry and product features (ex: related discount events) and strengthen customers service.

Electromagnetic Radiation Standards

Governmental authorities have referenced the International Commission on Non-Ionizing Radiation Protection (ICNIRP) controls for base station electromagnetic radiation power density and mobile phone SAR value to formulate control standards. We request our base stations and mobile phones supplies to pass certification for this standard. We also provide an exclusive complaint channel, if any of the public concern about electromagnetic radiation, each can apply for a free professional measurement.

Our antenna construction and safe distance from the public and buildings standards, uniformly conform to the legal requirements of the competent authorities. In order to reduce total base stations and visual impacts to the public, we constructed cooperative stations with industry partners and the percentage of them also conform to the standard requirements from the authorities.

In 2011, we coordinated with the NCC to hold a "Consumer Protection Awareness Carnival", and invited academics to hold two forums and produce a number of electromagnetic radiation awareness products.

Ensuring Communications Quality

Due to unfavorable weather conditions caused by climate change such as typhoons, monsoons, etc. affecting telecommunications equipment rooms and their operation, customer disaster reporting can be cut off and disaster relief severely affected. In order to solve operational issues in operating locations adapting to climate change, we make complete disaster prevention preparations every day and can quickly form an emergency response team to conduct disaster relief and ensure smooth communications with the affected area.

Action Program in Response to Climate Change

In November 2010, we completed the “Response to Climate Change – Chunghwa Telecom Environmental Protection Energy Conservation Carbon Reduction Strategic Action.” The current implementation status, includes either short or long term plans, are the formulation of priorities, improvement of disaster resilience, ensure clear communications, and the safety of overall communications network.

Plans for flood-prone equipment rooms reform:

- Install sealed water resistant panels
- Install water resistant sluice gates for equipment
- Seal up or raise up basement vents, doors, and windows

Improvement plans for telecom equipment:

- Move basement equipment: Move diesel generators and AC distribution equipments to the first floor, and install DC equipment to above second floor.
- Prepare and stock generators and pumps.
- Enhance generator configurations in remote equipment room and increase oil storage tank capacity



Water resistant panels installed in lowlying area equipment rooms to ensure communications during rainstorms.

Reporting System Innovation

The pioneered “mass response” system has widely adopted by firefighting agencies. We further integrate with a geographic system as an e-phonebook system. Hence to create an “Emergency Message Notification System for Disasters”, which sends voice or text messages to pre-designated lines and mobile phones and can quickly find telephone numbers in designated areas for the purpose of broadcast messaging. In addition, the newly created “Low-frequency Wireless Broadcast System” is fast, inexpensive, non power dependent, which features a potential scope to cover nationwide. This system is especially suited for disaster emergency announcements such as weather and landslide warnings, etc.

Non Isolated Islands in Communication

In order to prevent occurrence and spread of disasters, from past experience we enhanced measures such as the construction of remote area transmission routing, wireless backup routing, upgrade backup power capacity, international submarine cable supporting system, etc. Drills for Network repair and equipment schedule are held yearly to enhance disaster prevention and relief skills and reduce disaster losses.

Mobile phone communications are necessity for most people, we introduce a proper backup plan: base stations arrangement in dispersed configuration, so if any base station broke down or equipment malfunction, the other base stations in the system can maintain operation. When communications are interrupted by a natural disaster, small microwave, satellite (transported by helicopter, small capacity), or portable base stations (vehicle transported, large capacity) maintain communications to the disaster area.

Building a Broadband Network

Going online anytime anywhere has become a necessity and trend for modern people. In order to satisfy the continually rising broadband needs of internet and business customers, we have continued to expand both submarine cable capacity and participation in the construction of new submarine cable systems. We are also actively provisioning fiber optics and in the 3rd quarter of 2012, it is expected that the construction volume of fiber optic network access equipment will surpass ADSL. In addition we continue to construct wireless internet hotspot infrastructure to create even more wireless internet hotspots, relieve mobile data traffic, and increase service quality.

Fiber Optic Network Construction

Broadband networks are the foundation of digital convergence. Thus, we are actively provisioning fiber optics and it is expected that the construction volume of fiber optic network access equipment will surpass ADSL in the 3rd quarter of 2012. This responded to government plans to achieve 80% household coverage at 100Mbps by 2015 and the goal of 21 million mobile broadband users. In addition to striving to achieve interim government targets, we hope to effect close to a 100% household coverage by 2020 and achieve the goals of connecting customers to higher speed fiber optic networks and mobile broadband to provide all people with more ubiquitous, high speed, and convenient full range digital broadband infrastructure.

We are committed to investing 20 billion NTD annually in the future for a total investment of over 200 billion over 10 years to quickly raise the rate of broadband internet access and spur transfer speed in Taiwan to 50Mbps, 100Mbps, onto 1 Gbps for a ten-fold growth. The coverage of our 30Mbps broadband in 2011 ranged from 82.5% to 91.98% and we achieved more than the government's goal.

Coordinating with the government's digital convergence development program, we will invest 200 billion NT\$ in the next 10 years to construct our broadband network (including fixed-line and mobile networks) and invest 100 billion to construct a broadband fiber optic network which will serve to consolidate our competitive fiber optic advantages, create digital convergence.

Starting in 2012, we will provide two-way symmetric 100Mbps broadband service and begin 1Gbps testing sites in Taipei City, New Taipei City, Taichung City, Tainan City, Kaohsiung City, and Taoyuan County to provide user of high speed broadband service above 200Mbps.

Expand Wireless Hotspots

Going online anytime anywhere has become a necessity and trend for modern people. Especially with the rapid growth of smart phone and tablet PC users, mobile broadband traffic has grown exponentially in the last couple of years. In 2010, we procured over 1,100 units of 3.5G base stations with top speeds of 42Mbps to effectively expand mobile broadband network capacity, transmission speed and coverage.

Our 3G users have exceeded 5.26 million and wireless hotspots will be our future development strategy. Between 2010 and 2012, we plan to invest 3 billion NT\$ to construct an underlying wireless internet hotspot network and create 30,000 wireless internet hotspots to relieve mobile Internet demand.

Ubiquitous Telecommunications Service

To safeguard the basic communications rights of citizens and to allow all citizens to enjoy ubiquitous telecommunications service fairly is a policy goal that the government is promoting for the long term. We have disregarded cost to provide more than 21 households in 81 remote villages and underdeveloped areas nationally with telephone service and over 80,000 households with data communications services, over 81,000 public telephones in 25 counties and cities, and data communication access services to 3,700 elementary schools and libraries. The total net cost of Chunghwa Telecom ubiquitous service construction in 2011 amounted to 825 million NT\$. Regarding broadband network infrastructure, we expect to complete 12Mbps broadband service at 50% coverage for 716 remote villages nationally by 2013, 75% coverage by 2014, and 95% coverage by 2015.

Mastering Policy and Regulation

Any changes in policy or regulation may affect our operating results. In addition to maintaining good lines of communication with government and the competent authority, National Communications Commission (NCC), we also actively master related legislative dynamics in the Legislative Yuan. This includes the “Digital Convergence Development Project” developed with the ICT industry that concerns enhancing national competitive strength, an item to which we are paying close attention.

Digital Convergence Development Project

The Executive Yuan approved the “Digital Convergence Development Project” on December 9, 2010. According to this project, two stages of amendment and legislation will be promoted. The first stage allows the radio/TV and telecommunications industries to amend laws in a hierarchical regulatory framework to conduct legal adjustment in response to practical needs. The Third Radio/TV Act was expected to be completed in June 2012 and the telecommunications bill required amendments to surmount urgent obstacles. After reporting to the Executive Yuan for approval they were sent to the Legislative Yuan for deliberation. In the second stage, the Third Radio/TV Act and telecommunications bill (or specific convergence architecture) move towards horizontal structure legal amendment work and passed Legislative Yuan deliberations to achieve digital convergence development goals such as fiber optic user totals, wireless broadband user totals, digital cable ubiquity, etc.

The digital convergence development project will increase national competitive strength and effectively accelerate digital convergence services and ICT industry development. We are happy to see its success and in addition to continuing to observe amendment status and direction and communicating our suggestions to the competent authorities at the right time to maximize benefits, we will actively construct a fiber optic network simultaneously, enhance the competitive strength of fiber optic broadband, separately commit to expanding innovative value added service operations, and create business opportunities in the ICT industry to maintain our leading position in the high speed broadband market.

Influence of Policy and Legislation

From 2007, the NCC has reduced the X value for 3 consecutive years with mobile phone fee reductions accumulating to over 14% and broadband fee reductions accumulating to over 19%. We are happy to see the rise of national broadband ubiquity and the narrowing of the digital divide and are committed to satisfying customers’ high speed broadband needs but we feel that related fee rates should respect the market mechanism.

Mobile broadband has become a world trend but currently Taiwan’s wireless spectrum planning is still unclear. The public’s misgivings about base stations and 3G Flat Rates have resulted in a minority of high volume users using most of the bandwidth resources. Thus telecoms face difficulties in base station establishment and ineffective allocation of resources which negatively impact the development of the mobile broadband industry. We continue to communicate with the competent authorities and hope the industry and government can cooperate to establish a healthy environment that is advantageous to mobile broadband development.

4G Spectrum Development Status

Regarding the developmental status of 4G licenses in our country, the Ministry of Transportation and Communications is currently conducting spectrum planning and the NCC is proceeding to develop draft rules for 4G licensing. Related government preparedness work is still proceeding. We will continue to observe the government’s licensing planning and policy development, actively conduct 4G technology R&D, and gather information on market development trends. Based on the future licensing plans and timetable of the competent authorities, we will actively seek licensing and construct a 4G network to provide services.

Create an Open Creative Platform

We influence the government to promote digital content industry policy and actively integrate the three resources of content, platform, and terminal equipment to merge cultural creativity and technology. Reading will no longer be limited by time or location and Taiwan's cultural creative industry will be brought to another peak. We will also comprehensively develop an operating mechanism and industrial structure that supports creativity to allow Taiwan to become the hub for digital content design, production, and distribution in the Asia-Pacific Region and enhance the competitive strength of the digital content industry and the nation.

Open Innovation

To gradually establish a quality promotion team, quality assurance center, and engineering process team at the Telecommunications Research Institute, we have used the international standards and organizational audit systems such as the ISO R&D quality system's capability maturity model integration (CMMI), and system R&D workflow to establish an organizational standardization system, which coordinates with upper managers in review activities, product quality, R&D quality, and employee quality awareness.

In addition to internal innovation, we view external partnerships equally to inspire industrial development. Primary achievements in 2011 include:

1. iEN service driven green energy industry and assisted suppliers to enhance techniques.
2. Assisted the Taiwan Telematics Industry Association to complete smart bus industry standards.
3. LED green illumination technology developed: Use technology transfer outsourced production to develop more multipurpose products.
4. Cultivated LTE/LTE-A technologies to master 4G development.
5. Deepened IPv6 technology: Provide Constructed compliance testing and interoperability testing platforms to companies, and completed large-scale IPv6 testing with global ICP and ISP companies.



National Champion of Deguang Catholic High School's English Vocabulary Marathon for 2 consecutive years.

Digital Amazon

We are committed to provide open platform and environment to allow Taiwan's soft power to flourish. Currently we have developed an open digital platform that provides service interfaces such as publishing, transaction, account management, copyright management, etc. By doing so to facilitate the publishing and sale of these creativity, which assist the digital and cultural creative industries.

With respect to frequent cross-strait exchange: We look forward to a win-win situation in Taiwanese industry advantage of infrastructure, innovative R&D, technical readiness, and training ability to complete overall economic stability and market scale of mainland China. Hence, we continue to deepen the combination of cultural creativity, energy conservation and carbon reduction, medical, training, and tourism industries to derive more impressive services.

Through annual "Telecommunications Innovation Application Contest," we promoted the trend of telecommunications innovation service, universities software potentials, and the ongoing flourished digital industry. We hope to attract much more innovations to enlarge contest scale, and spread across the strait to inspire innovation. These application contest has become the cultural creative and digital "Telecommunication Oscars" award ceremony, which allowed Taiwan to become a global innovation center.



Chunghua Telecom President, Shiao-Tung Chang enthusiastically participates in Internet Arena Finals Awards Ceremony.