



June 19, 2000

**Via-Facsimile 011.8862.2542.3376**

Board of Governors  
c/o Mr. Lynn Murray Sien  
Executive Director  
American Chamber of Commerce  
N-1012, Chia Hsin Bldg. Annex  
96 Chung Shan North Road, Section 2 10419  
Taipei, Taiwan

Dear Sirs:

On behalf of the Competitive Telecommunications Association ("CompTel"), I am writing to share our concern with certain aspects of the AmCham Telecommunications Committee 2000 Position Paper. CompTel is the principal United States industry association representing competitive telecommunications carriers and their suppliers, with nearly 20 years of experience working actively to advance telecommunications competitions in the United States and other countries. CompTel's members include U.S. telecommunications carriers specifically interested in entering the Taiwan market.

CompTel fully supports the Committee's recommendations on revising the proposed international submarine cable regulations and believes that adoption of those recommendations by the Government of Taiwan would enhance the ability of U.S. carriers to enter the market and serve it fully. However, the recommendation to maintain the "continuity of the agreed licensing framework" is not consistent with the other market opening recommendations. Certainly a stable regulatory environment is a key element in any carrier's decision to enter the market. But stability in that regard is not preferable to continuation of anti-competitive policies or policies that do not reflect Taiwan's obligations upon accession to the World Trade Organization ("WTO"), effective July 1, 2001, to allow unlimited market access for all types of telecommunications services.

To urge continuation of the fixed line regulations is the same as suggesting Taiwan need not live up to its WTO commitments when they take effect. The American Chamber, instead, should be urging Taiwan to review its current and proposed regulatory scheme to ensure conformity with those obligations. Such a review would not call into question DGT's reliability, but would be strongly supported by investors who wish to serve the Taiwan market.

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CompTel would note that almost all of the governments which were party to the WTO's Agreement on Basic Telecommunications took steps to bring their regulatory systems into conformity with their market access commitments. In some cases, that meant disrupting years of monopoly or duopoly-provided services. Other governments went beyond their WTO commitments to radically alter their regulatory policies to allow competition. Singapore and Hong Kong, Taiwan's competitors for the role of Asian telecom hub, are prime examples. In none of these cases did the regulators' actions cause investors to lose confidence.

The U.S. Government has noted its concern with the current and proposed regulatory policies of Taiwan, most recently in its submission to DGT with respect to the proposed submarine cable regulations. A copy of this submission is attached for your information. CompTel hopes that the American Chamber will support the U.S. Government's position and urges the Government of Taiwan to adopt a regulatory environment that will allow full competition as of July 1, 2001.

Sincerely,



Carol Ann Bischoff  
Executive Vice President & General Counsel

cc: Ambassador Richard Fisher, Office of the U.S. Trade Representative