

The following table sets forth information with respect to local telephone usage for the periods indicated.

	Year ended December 31,		
	2008	2009	2010
	(in millions, except percentages)		
Minutes from local calls ⁽¹⁾⁽²⁾	15,877	14,602	13,671
Growth rate (compared to the same period in the prior year)	(8.1)%	(8.0)%	(6.4)%

(1) Includes minutes from local calls made on pay telephones.

(2) Calls to our HiNet internet service, which are recorded as part of our internet services, are not included in our local call minutes or revenues.

Minutes from local calls declined due to traffic migration to mobile services as well as VoIP services. However, we believe the rate of migration of traffic from fixed communication services to VoIP and mobile communications services is slowing.

We charge our local telephone service customers a monthly fee and a usage fee. We also charge separate fees for some value-added services. The monthly fees for our primary tariff plans are NT\$70 with a deductible on usage fees of NT\$25 for residential customers and NT\$295 for business customers. Our primary peak time usage fee is NT\$1.6 for three minutes or NT\$2.7 for ten minutes, depending on the tariff plan selected by the customer, and our off-peak usage fee is NT\$1.0 for ten minutes. Our usage fees are the same for residential and business customers.

The following table sets forth information with respect to the average local telephone usage charge per minute for the periods indicated.

	Year ended December 31,		
	2008	2009	2010
	NT\$	NT\$	NT\$
Average local telephone usage fee (per minute)	0.74	0.74	0.74
Growth rate (compared to the same period in the prior year)	1.4%	0.4%	0.5%

Average per minute usage charges remained flat at around NT\$0.74 per minute in 2008, 2009 and 2010. Part of our competitive strategy is to offer customers innovative products and services intended to both secure customer loyalty and enhance revenues. In particular, our value-added services are designed to increase our call revenues by increasing the number of calls our customers make and by receiving fees for usage of the value-added services. These services include call waiting, caller identification, call forwarding, three-party calls, ring back tone and voicemail.

Domestic Long Distance Telephone

We provide domestic long distance telephone services in Taiwan. Total revenues from domestic long distance telephone services comprised 4.2%, 3.7% and 3.3% of our revenues in 2008, 2009 and 2010, respectively. Our average market share in the domestic long distance market was approximately 85.2%, 82.9% and 76.1% in 2008, 2009 and 2010, respectively. Residential customers accounted for 59.2% of our domestic long distance revenues in 2010.

The following table sets forth information with respect to usage of our domestic long distance telephone services for the periods indicated.