

**Telecommunications Users and Consumers Advisory Committee (TUCAC)**

**Minutes of the 14<sup>th</sup> Meeting held at 3:00 p.m.**

**on 10 August 2017 (Thursday) in Conference Room,**

**Office of the Communications Authority (“OFCA”),**

**20/F Wu Chung House, Wan Chai**

**Present:**

Mr. Chaucer LEUNG (Chairman)	Deputy Director-General, OFCA
Ms. June IP	Representative of Consumer Council
Mr. L K CHONG	Representative of Communications Association of Hong Kong
Ms. Edith HUI	Representative of the Hong Kong General Chamber of Commerce
Mr. Eric YEUNG	Representative of small and medium enterprises
Mr. C M CHUNG	Representative of the disabled
Mr. William TANG	Representative of the disabled
Mr. Kenny CHIU	Member appointed on an ad personam basis
Mr. K W MA	Member appointed on an ad personam basis
Ms. Cindy CHAN	Representative as a member of the public
Ms. Eva LAU	Representative as a member of the public
Mr. Daniel LO	Representative as a member of the public
Ms. Florence MAN	Representative as a member of the public
Mr. Thomas SUN	Representative as a member of the public
Ms. Eva WONG	Representative as a member of the public
Mr. C B WONG	Representative as a member of the public
Ms. Jamay WONG (Secretary)	OFCA

**Telecommunications Regulatory Affairs Advisory Committee (TRAAC) (about Joint**

**Agenda I):**

Mr. Peter LAM	Representative of Hong Kong Telecommunications (HKT) Limited /
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Ms. Juliana WONG	PCCW-HKT Telephone Limited and Hong Kong Telecommunications (HKT) Limited / PCCW Global (HK) Limited (“HKT”) Representative of Hutchison Telephone Company Limited / Hutchison Global Communications Limited / Genius Brand Limited
Mr. Richard LEUNG	Representative of Hong Kong Broadband Network Limited / HKBN Enterprise Solutions Limited
Mr. T L OR	Representative of SmarTone Communications Limited / SmarTone Mobile Communications Limited
Ir. Dr. K F TSANG	Representative of the Institution of Engineering and Technology Hong Kong
Ir. Dr. Peter CHIU	Representative of the Hong Kong Institution of Engineers
Mr. C Y CHAN	Representative of 21 Vianet Group Limited
Mr. Kenneth KWOK	Representative of ComNet Telecom (HK) Limited
Mr. Allen LAW	Representative of external telecommunications service (ETS) operators as a group
Mr. Karson NG	Representative of China Telecom Global Limited
Mr. Stephen CHAN	Representative of services-based operators (SBO) licensees as a group
Mr. Marcus CRACHI	Representative of Telstra International HK Limited and Telstra International Limited
Mr. Ricky HO	Representative of NTT Com Asia Limited (“NTT”)
Mr. Chris TSANG	Representative of APT Satellite Company

	Limited
Mr. CY CHUNG	Representative of Superloop (Hong Kong) Limited
Mr. Andrew HUNG	Representative of HKC Network Limited
Mr. Simon LEUNG	Representative of Hong Kong Mobile Television Network Limited (“HKMTV”)
Ms. Jacqueline LEUNG	Representative of Towngas Telecommunications Fixed Network Limited
Mr. Eric CHEUNG	Representative of TraxComm Limited
Mr. Alan CHOI	Representative of Hong Kong Cable Television Limited
Mr. Mike PAN	Representative of China Mobile Hong Kong Company Limited
Mr. Malcolm LEUNG	Representative of WTT HK Limited
Mr. Gilbert CHAN	Representative of Communications Association of Hong Kong
Mr. Fred LAM	Representative of Hong Kong Police Force
Ms. Eva CHAN	Member appointed on an ad personam basis
Mr. York MOK	Member appointed on an ad personam basis

In attendance:

Ms. Stephanie MA	Sign language interpreter
Mr. Sanda CHEUK	Secretary of TRAAC
Mr. Esmond CHIU	OFCA
Ms. Christine CHIM	OFCA
Ms. Maggie FUNG	OFCA
Mr. Penny LO	OFCA
Mr. Patrick MAN	OFCA
Ms. Gladys NG	OFCA
Mr. Matthew WONG	OFCA
Mr. K S HO	OFCA

Mr. K K WONG

OFCA

Ms. Edith YAU

OFCA

TRAAC (about Joint Agenda I):

Mr. W H TANG

Representative of Hong Kong  
Telecommunications (HKT) Limited /  
PCCW-HKT Telephone Limited and Hong  
Kong Telecommunications (HKT) Limited /  
PCCW Global (HK) Limited

Mr. Henry CHAN

Representative of Hutchison Telephone  
Company Limited / Hutchison Global  
Communications Limited / Genius Brand  
Limited

Ms. Abbie LO

Representative of Hong Kong Broadband  
Network Limited / HKBN Enterprise  
Solutions Limited

Mr. Eric LEE

Representative of SmarTone  
Communications Limited / SmarTone  
Mobile Communications Limited

Mr. Bruce CHAN

Representative of the Institution of  
Engineering and Technology Hong Kong

Mr. C M CHAN

Representative of China Mobile  
International Limited

Ms. Sonia FUNG

Representative of China Unicom (Hong  
Kong) Operations Limited

Mr. Joe CHAN

Representative of China Telecom Global  
Limited

Ms. Maria LEE

Representative of Sun Mobile Limited

Dr. Alex IP

Representative of Truphone (Hong Kong)  
Limited

Ms. Joey KWAN

Representative of 263 Mobile  
Communications (HongKong) Limited

Mr. Jim YANG	Representative of Multibyte Info Technology Limited
Ms. Kiki CHE	Representative of Easco Telecommunications Limited
Mr. Stanley MA	Representative of Tink Labs Limited

Absent with apologies:

Mr. Kenny YIU	Representative of Hong Kong Wireless Technology Industry Association
Ms. Irene LEUNG	Representative of the aged community
Mr. W C CHENG	Representative of Education Bureau
Ms. Martha LEUNG	Representative as a member of the public
Ms. Pauline YUNG	Representative as a member of the public
Mr. Derek Emory YEUNG	Representative as a member of the public

**I. Proposed Code of Practice on the Cessation Arrangements for Mobile Virtual Network Operator Services (Joint Agenda with members of the Telecommunications Regulatory Affairs Advisory Committee (TRAAC))**

1. The Chairman welcomed members of TUCAC and representatives from MVNOs to join the discussion of this agenda item.

2. Ms. Gladys Ng briefed Members and other participants on the background information of the two incidents of abrupt service cessation of mobile services offered by MVNOs, namely Easycall Limited in March 2016 and CMMobile Global Communications Limited (CMMobile) in January 2017 respectively, the proposed CoP and the associated performance bond requirement on MVNOs. The Chairman would like to invite Members and other participants to provide comments on the proposal. Related information was in TUCAC Paper No. 3/2017.

3. Mr. C M Chung welcomed the proposed CoP but suggested that if a hosting mobile network operator (Hosting MNO) decided to terminate the wholesale services

to an MVNO, it should have the responsibility to continue to provide mobile services to the affected customers of the concerned MVNO. Mr. Mike Pan commented that without the information of the affected customers, it might not be technically feasible for the Hosting MNO to continue to provide mobile services to them. Rather, the Hosting MNO might invite the affected customers to port their mobile numbers to the Hosting MNO before the service cessation of the MVNO. The Secretary of TRAAC said that the Hosting MNO might not have the customer information, and the customers might at their own discretion choose whether to port to a particular MNO. He pointed out that issuing an advance notice of at least five business days before service cessation as proposed in the CoP served to strike a proper balance between the needs of the affected customers, and the interests of the Hosting MNOs and MVNOs.

4. In response to Ms. Florence Man's enquiry regarding the promulgation arrangement of the proposed CoP, the Secretary of TRAAC replied that OFCA would take into consideration all views and comments received before finalising the CoP and the associated performance bond requirement on MVNOs. Subject to the approval of the CA, the CoP would be brought into effect one month from the date of the issue and all MVNOs and Hosting MNOs would then be required to comply with the CoP as part of their licence obligations.

5. Mr. C B Wong opined that the proposed amount of the performance bond of HK\$ 200,000 might be on the high side for MVNOs 10 with small customer base and considered that it should be calculated based on a sliding scale, commensurate with the numbers of customers of the MVNOs. Mr. Jim Yang supported the requirement of giving an advance notice of about a week before service cessation but considered that the performance bond requirement would increase the financial burden on MVNOs as most of them were small and medium enterprises. The Secretary of TRAAC explained that the amount was equivalent to the maximum amount of the financial penalty for the first breach of licence condition under the TO. There was a need to impose such a performance bond requirement to safeguard the MVNOs' commitment to comply with the CoP or otherwise an MVNO found in breach of the CoP might just go out of business, thus evading all its responsibilities under the CoP

and in relation to the payment of the financial penalty. Mr. Richard Leung questioned whether the performance bond would be fully drawn by the CA in case an MVNO failed to comply with the CoP. The Secretary of TRAAC clarified that the CA would only demand the associated bank to pay from the bonded sum the amount of financial penalty imposed by the CA, if the MVNO defaulted the penalty payment. The Chairman supplemented that the performance bond was a kind of credit facility provided by a bank rather than a cash deposit. He also clarified that any financial penalty as might be imposed on the MVNOs in breach of the CoP would be payable to the Government coffers instead of the OFCA Trading Fund.

6. Mr. Jim Yang considered that the proposed CoP, regarding the reasonable notice period to be given to service subscribers of the MVNO concerned before service cessation by the Hosting MNO, was beneficial to the industry and consumers. However, he objected to the requirement of a performance bond of HK\$200,000 to be imposed on MVNOs. As far as he knew, more than two ETS operators closed IDD business in the past and had very bad impact on their service users. He asked if OFCA would consider extending the application of the proposed CoP to all ETS operators. Mr. Esmond Chiu replied that the nature of services provided by ETS operators was not identical to those provided by MVNOs. With the serious impact as experienced in the past two incidents caused by cessation of MVNO services, there was an imminent need to impose the requirements set out in the proposed CoP on MVNOs. Mr. Jim Yang did not agree to this reply.

7. Mr. K W Ma and Mr. Kenny Chiu supported the proposed arrangement as the objective of the CoP was for consumer protection. Mr. K W Ma considered that the Hosting MNOs and MVNOs in fact had the social responsibility to properly manage any service cessation and the industry could in fact consider the introduction of self regulatory measures first, before intervention by OFCA. The Secretary of TRAAC responded that the proposed CoP might be a more effective measure, as the Hosting MNOs and the MVNOs were obliged under their licences to comply with the CoP. On the other hand, Mr. Kenny Chiu suggested that the Hosting MNOs should consider charging the MVNOs an appropriate amount of security deposit so as to avoid service cessation in case of default payment by the MVNOs. He also suggested

that the Hosting MNOs should put in place concrete arrangements with MVNOs to safeguard the continued provision of mobile services to the affected customers in case of service cessation.

8. Mr. Peter Lam disagreed that HKT as the Hosting MNO had given insufficient advance notices before terminating the services to the MVNOs as HKT had been in touch with OFCA about its commercial dispute with the MVNOs for more than a month in the two incidents. He said that HKT had the right to terminate the service to the MVNOs because of their default on paying the outstanding service charges. In respect of the existing requirement for the MVNOs to submit a letter of confirmation issued by their Hosting MNOs for annual licence renewal, he found it difficult for the Hosting MNOs to guarantee the service provision for a period of 12 months.

9. Regarding the proposed CoP, Mr. Peter Lam commented that the use of the term “interconnection agreement” was inaccurate and should be superseded by “capacity wholesale agreement”. As regards the advance notice requirement, he opined that it would be more appropriate for the Hosting MNOs to inform OFCA only and it should be the responsibility of the MVNOs to inform the affected customers and the general public. To reduce the financial loss of the Hosting MNOs, he suggested that the Hosting MNOs should be permitted during the notice period to stop the provision of certain types of mobile services to the MVNOs such as IDD and international roaming services. And, MVNOs should avoid using SMS to notify their customers about the service 12 termination as it would incur irrecoverable costs on the Hosting MNOs. He also said that the requirement for the Hosting MNOs and MVNOs to handle mobile number portability should be shortened from a period of six months to three months, and the requirement for the Hosting MNOs to maintain the customer service hotlines should be waived.

10. Regarding the proposed performance bond, Mr. Peter Lam said that it would impose additional financial burden on MVNOs many of which were small and medium enterprises. He considered that the proposed arrangement was inconsistent with the policy of OFCA in promoting competition in the telecommunications market.



11. In response, the Chairman said that the proposed CoP was drawn up in the wake of the occurrence of the two service cessation incidents over the past 18 months affecting over 110,000 mobile service subscribers in total. In both incidents, OFCA had been requesting HKT as the Hosting MNO to give at least one-week's notice before actual cessation of the wholesale service to the MVNOs but to no avail. He pointed out that setting the payment deadlines by the Hosting MNO and subsequently giving extensions to the MVNO during the commercial negotiation process could not be taken as advance notices of actual service cessation. In the incident relating to CMMobile, HKT notified OFCA its decision of service cessation with an advance notice of less than 10 hours. Albeit OFCA issued a consumer alert to inform the public right after, the notification was too short for the affected mobile service subscribers to take any possible action, such as number porting, to enable service continuity. The situation was very undesirable to OFCA, the relevant operators and the affected service subscribers. With nearly two million mobile service subscribers being served by MVNOs, OFCA considered that there was a need to avoid recurrence of any similar incident in the future by putting in place the proposed CoP which would regulate both MVNOs and the Hosting MNOs in case of cessation of MVNO services.

12. The Chairman said that the proposed CoP was not final and would be subject to amendments and changes with reference to the comments contributed by Members before the approval by the Communications Authority. For example, the minimum period and the scope for respective follow-up actions by the MVNO and the Hosting MNO, and whether IDD and international roaming services should be subject to a shorter notice period, etc. would be reviewed by OFCA based on the comments raised by members and other participants in the meeting. The Secretary of TRAAC supplemented that IDD and international roaming services would be essential to those affected mobile service subscribers in the event that they were travelling abroad. Regarding dissemination of the service suspension notice, the Chairman said that instead of SMS, MVNOs might opt for other reasonable channels available (including the social media platform, instant messaging, emails and voice calls) to save cost.

13. The Chairman would like members and other participants to understand that the stipulation under the proposed CoP aimed to enhance consumer protection in the competitive telecommunications market based on the experience in the past two incidents. For those MVNOs with a small customer base, OFCA would review the level of the performance bond to be imposed upon them.

14. Mr. K W Ma advised that OFCA might impose requirements in the proposed CoP that the Hosting MNOs would take up the affected customers for the MVNOs in the event of service cessation. The Secretary of TRAAC responded that the Hosting MNOs would be free to enter into any such commercial agreements with the MVNOs in such an event. Nevertheless, it might not be necessary and appropriate to mandate such requirement under the proposed CoP.

15. In conclusion, the Chairman invited members and other participants to let OFCA have their further comments on the proposed CoP and performance bond, if any, within two weeks by 24 August 2017.

## **II. Confirmation of the Minutes of the 13<sup>th</sup> Meeting**

16. The Secretary had not received any proposed amendment to the draft minutes of the 13<sup>th</sup> meeting from the members and no amendment was proposed by the members in the meeting. The Chairman announced that the minutes of the 13<sup>th</sup> meeting were confirmed.

## **III. Radiation Safety of Mobile Phone Radio Base Stations and Public Wi-Fi Services**

17. Mr. K S HO and Mr. K K WONG briefed members on the radiation safety of mobile phone radio base stations (RBSs) and public Wi-Fi services respectively. Mr. K S HO explained the classification of electromagnetic (EM) radiation, EM radiation of RBSs, radiation safety standards and limits, as well as the regulation of radiation safety of mobile phone RBSs, and introduced different means adopted by

OFCA in addressing public concerns about the radiation of RBSs. Mr. K K WONG then gave a briefing on public Wi-Fi services and its coverage, the characteristics and safety of radiation, as well as the measurement of radiation. Related information was in TUCAC Paper No. 4/2017.

18. The Chairman added that the radiation emitted by radio communications devices was non-ionizing radiation (NIR) which generated lower EM energy and weakened rapidly with increasing distance. OFCA conducted measurements on mobile phone RBSs and public Wi-Fi services upon receipt of complaints and through proactive and regular sample checks so as to ensure that the radiation levels would not exceed the limits set by the International Commission on Non-ionizing Radiation Protection (ICNIRP).

19. Mr. Kenny CHIU asked whether any sample taken by OFCA from RBSs or Wi-Fi services was found to have exceeded the safety standards.

20. Mr. K S HO said that no sample taken by OFCA was found to have exceeded the safety standards.

21. Ms. Cindy CHAN enquired whether OFCA had compared the radiation levels of mobile phone RBSs and public Wi-Fi services in Hong Kong with those in other nearby countries, such as Japan and Singapore, so as to provide reference to the public.

22. The Chairman responded that the ICNIRP limits were recognised by the World Health Organization and were commonly adopted. OFCA had, according to the professional advice from the Department of Health, adopted the ICNIRP limits as the safety standards of NIR. Such limits were similar to those adopted by other advanced economies. Currently, operators were required to obtain approvals from the CA before bringing their RBSs into operation, and provide OFCA with measurement reports within one month from the commencement of operation of RBSs to confirm that the total radiation levels at the location of the RBSs concerned

complied with the safety limits recommended by the ICNIRP.

23. Mr. Thomas SUN enquired whether the limits recommended by the ICNIRP or stricter standards were adopted by advanced countries such as European countries and the United States as safety standards.

24. The Chairman said that as far as he knew, the limits adopted by the Mainland were lower than the ICNIRP limits. However, those standards were not international standards but developed by the Mainland on its own. OFCA appreciated the concerns of the public over the radiation of RBSs and Wi-Fi services. However, reducing the number of RBSs would affect service coverage. OFCA hoped to strike a balance between public concerns over radiofrequency radiation and service coverage. There was no sufficient scientific evidence thus far indicating that NIR complying with the safety limits recommended by the ICNIRP would cause adverse health effects to humans.

25. Mr. Thomas SUN asked further whether OFCA, at present, had measured the radiation levels of RBSs during peak and non-peak hours, and whether the measurement results would vary with the number of users.

26. The Chairman responded that at present, no special arrangements had been made to measure the radiation levels of RBSs during peak and non-peak hours. However, the operation of RBSs was different from that of mobile phones. In order to keep track of users within their coverage and provide updates, RBSs would emit radio signals unremittingly. Besides, there was a substantial gap between the radiation levels recorded by OFCA in its measurements and the limits recommended by the ICNIRP. Therefore, the increase in users would unlikely cause the radiation levels to exceed the safety limits.

27. Mr. K W MA was concerned about the public education launched by OFCA on such matters and that there were some RBSs installed in residential units which were unknown to the public.

28. The Chairman responded that under normal circumstances, OFCA would not approve the installation of hidden RBSs. Follow-up actions would be taken should such RBSs come to the notice of OFCA.

29. Mr. Daniel LO enquired whether OFCA would notify operators in advance before conducting sample checks.

30. Mr. K S HO said that OFCA would not notify operators in advance before conducting measurements of radiation of mobile phone RBSs. Mr. K K WONG said that prior notifications to operators were not required either before OFCA's sample checks on radiation of Wi-Fi services. Nevertheless, in case the officers of OFCA had to enter the venues in which relevant Wi-Fi services were available, such as the Central Library, they would inform the management staff of the venues prior to their arrival.

31. Ms. Edith HUI expressed her concern about some suspected hidden RBSs.

32. The Chairman responded that if members of the public suspected that there were hidden RBSs in operation, they could contact OFCA for follow-up.

#### **IV. Any Other Business**

33. The Secretary reported that one substantiated case was confirmed to be in breach of licence conditions in the 2<sup>nd</sup> Quarter of 2017. Details were available on the CA's website. Members said that they would refer to the Report on Consumer Complaints sent to them by email earlier. The latest Report on Consumer Complaints is in Annex 1.

34. The Chairman said that the next meeting had been scheduled for November 2017. The Secretary would inform the members of the confirmed date of meeting later.

35. There being no other business, the meeting was adjourned at 5:50 p.m.

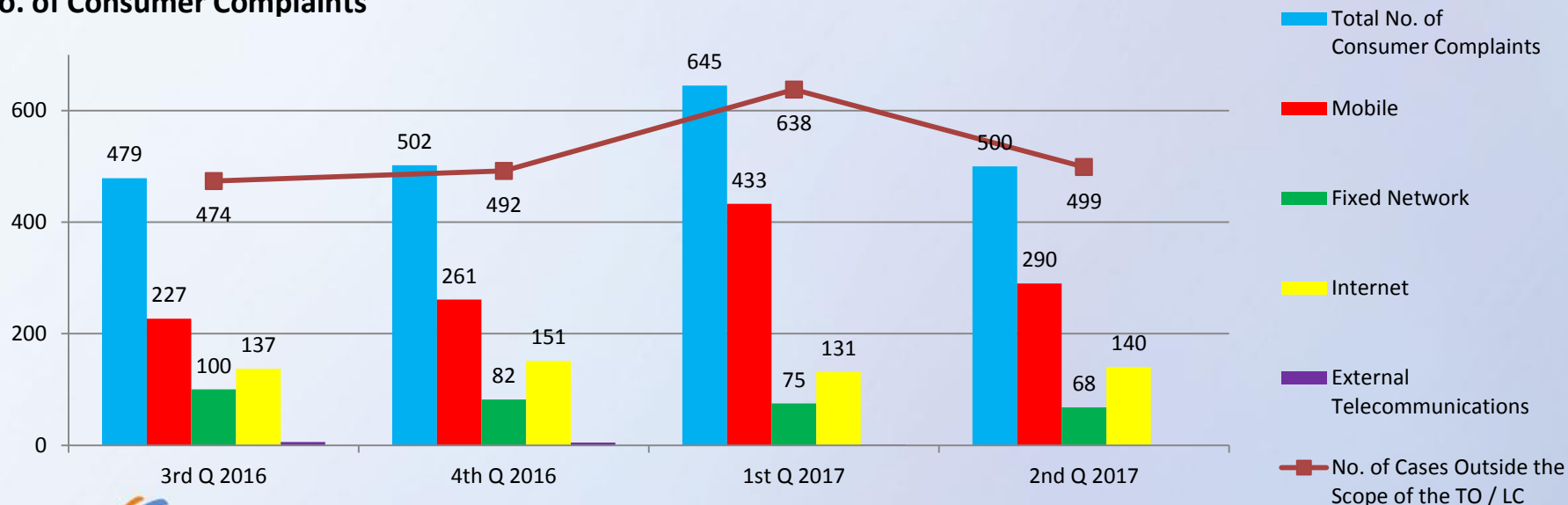
# **Report on Consumer Complaints on Telecom Services**

**The Telecommunications Users and  
Consumers Advisory Committee  
The 14<sup>th</sup> Meeting  
10 August 2017**

# Overview (1<sup>st</sup> Quarter of 2017 and 2<sup>nd</sup> Quarter of 2017)

<i>(Categorised by service types)</i>	<u>3<sup>rd</sup> Q 2016</u>	<u>4<sup>th</sup> Q 2016</u>	<u>1<sup>st</sup> Q 2017</u>	<u>2<sup>nd</sup> Q 2017</u>	<u>1<sup>st</sup> Q 2017</u>	<u>2<sup>nd</sup> Q 2017</u>	
<b>Total No. of Consumer Complaints</b>	<b>479</b>	<b>502</b>	<b>645</b>	<b>500</b>	<b>638</b>	<b>499</b>	<b>No. of Cases Outside the Scope of the Telecommunications Ordinance ("TO") / Licence Conditions ("LC")</b>
Mobile	227	261	433	290	433	290	
Fixed Network	100	82	75	68	68	67	
Internet	137	151	131	140	131	40	
External Telecommunications	6	5	1	0	1	0	

**No. of Consumer Complaints**





# No. of Complaints (1<sup>st</sup> Quarter of 2017 and 2<sup>nd</sup> Quarter of 2017)

## Number of complaint cases returned to a similar level after an increase

In the 1<sup>st</sup> Quarter of 2017, the Communications Authority (“CA”) received 645 cases of consumer complaints, representing a substantial increase of 28% from the 502 cases received in the 4<sup>th</sup> Quarter of 2016. In the 2<sup>nd</sup> Quarter of 2017, the CA received 500 cases of consumer complaints which is similar to the level in the 4<sup>th</sup> Quarter of 2016.

No. of cases not involving any breach of the TO or LC : 638 and 499 cases in the 2 Quarters respectively

In the 1<sup>st</sup> Quarter of 2017, there were 122 cases (19%) related to network outage of a mobile service provider.

The remaining cases mainly involved :

	<u>1<sup>st</sup> Q 2017</u>	<u>2<sup>nd</sup> Q 2017</u>
➤ Disputes on contract terms / service termination :	134 cases	98 cases
➤ Dissatisfaction with customer service :	131 cases	124 cases
➤ Dissatisfaction with the quality of mobile/ fixed network/Internet services :	82 cases	93 cases
➤ Disputes on bills :	72 cases	72 cases

No. of cases involving possible breach of the TO or LC : 7 cases and 1 case in the 2 Quarters respectively

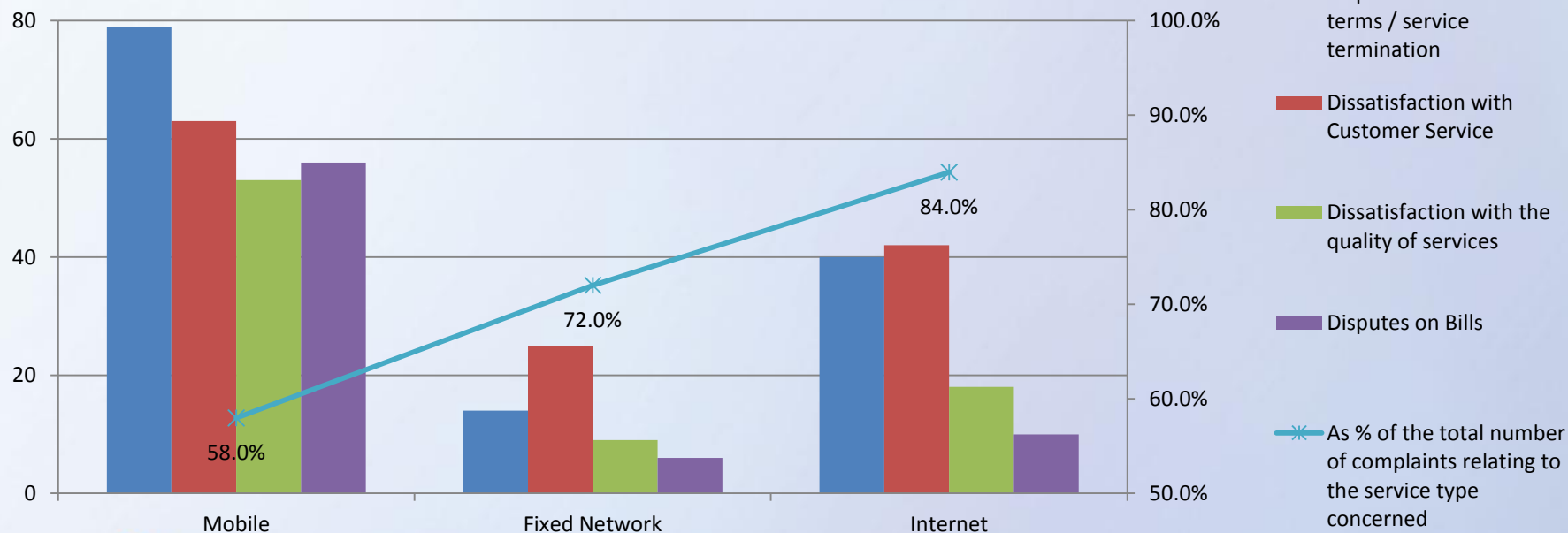
➤ Access by operators to public areas of buildings for the installation of telecommunications/ broadcasting equipment and networks :	7 cases	1 case
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# No. of Complaints (1<sup>st</sup> Quarter of 2017 )

*(Categorised by major service types)*

	<u>Disputes on contract terms / service termination</u>	<u>Dissatisfaction with customer service</u>	<u>Dissatisfaction with the quality of services</u>	<u>Disputes on bills</u>	<u>As percentage of the total number of complaints relating to the service type concerned</u>
Mobile	79	63	53	56	58.0%
Fixed Network	14	25	9	6	72.0%
Internet	40	42	18	10	84.0%

## No. of Consumer Complaints

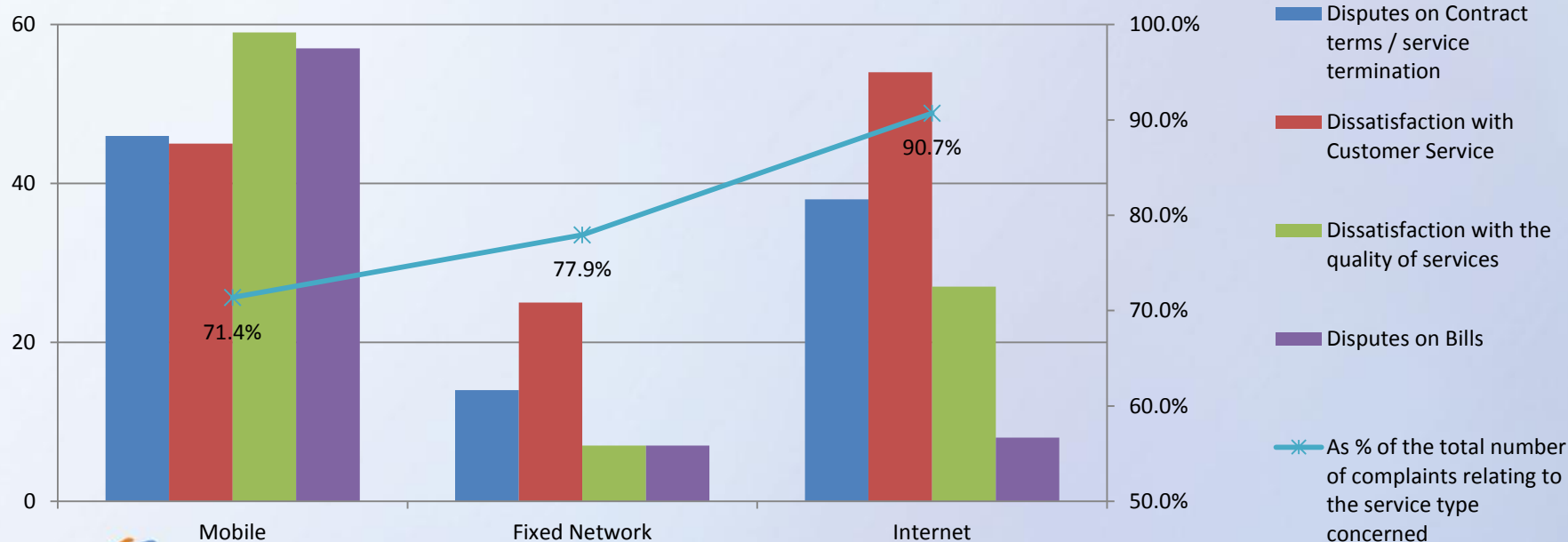


# No. of Complaints (2<sup>nd</sup> Quarter of 2017)

*(Categorised by major service types)*

	<u>Disputes on contract terms / service termination</u>	<u>Dissatisfaction with customer service</u>	<u>Dissatisfaction with the quality of services</u>	<u>Disputes on bills</u>	<u>As percentage of the total number of complaints relating to the service type concerned</u>
Mobile	46	45	59	57	71.4%
Fixed Network	14	25	7	7	77.9%
Internet	38	54	27	8	90.7%

## No. of Consumer Complaints



# No. of Complaints (1<sup>st</sup> Quarter of 2017 and 2<sup>nd</sup> Quarter of 2017)

## Case Analysis of Breach of the TO / LC

- In the 1<sup>st</sup> Quarter of 2017, there was no substantiated case of breach of the TO/LC.
- There was a case of breach in the 2nd Quarter of 2017 which was related to 2 incidents of network outage of a mobile service provider in January and February 2017 causing disruptions to its telecommunications services. This service provider was found to have contravened the Licence Conditions. The CA had imposed a fine of \$150,000 on the mobile service provider.

# Thank you