

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

**Minutes of the 20<sup>th</sup> Meeting held at 3:00 p.m.**

**on 2 July 2020 (Thursday) in Conference Room,**

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

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

**Present:**

Mr. Sanda CHEUK (Chairman)	Deputy Director-General
Ms. June IP	Representative of Consumer Council
Mr. Ricky CHONG	Representative of Communications Association of Hong Kong
Mr. C M CHUNG	Representative of the disabled
Mr. Johnny YUEN	Representative of the aged community services
Mr. K K LAU, MH, JP	Member appointed on an ad personam basis
Ms. W K CHENG	Representative as a member of the public
Mr. H C HUNG	Representative as a member of the public
Ms. Eva LAU	Representative as a member of the public
Ms. Katy LAU	Representative as a member of the public
Dr. K W LAU	Representative as a member of the public
Mr. Richard TSANG	Representative as a member of the public
Mr. W C CHENG	Representative of Education Bureau
Ms. Jamay WONG (Secretary)	OFCA

**In attendance:**

Mr. Andrew LO	OFCA
Ms. Cherry YU	OFCA
Mr. Raymond HO	OFCA
Mr. Patrick MAN	OFCA
Mr. Eric YUNG	OFCA
Miss Edith YAU	OFCA

**Absent with apologies:**

Mr. Roy LAW	Representative of Hong Kong Wireless Technology Industry Association
Ms. Edith HUI	Representative of the Hong Kong General Chamber of Commerce
Mr. Eric YEUNG	Representative of small and medium enterprises
Mr. William TANG	Representative of the disabled
Mr. W S IP	Member appointed on an ad personam basis
Ms. P Y CHAN	Representative as a member of the public

Mr. Y M KUNG  
Mr. W T CHAN  
Dr. Mary LEE

Representative as a member of the public  
Representative as a member of the public  
Representative as a member of the public

**I. Minutes of the 19<sup>th</sup> Meeting of the Telecommunications Users and Consumers Advisory Committee (“TUCAC”)**

1. The Secretary had not received any proposed amendment to the draft minutes of the 19<sup>th</sup> meeting from the members prior to the meeting and no amendment was proposed by the members at the meeting. The Chairman announced that the minutes of the 19<sup>th</sup> meeting were confirmed.

**II. Latest Progress on the Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas**

2. Mr. Andrew LO briefed the members on the latest progress on the Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas (“Subsidy Scheme”), including the background, details and latest progress on the Subsidy Scheme. Related information was set out in TUCAC Paper No. 1/2020.

3. Mr. C M CHUNG enquired when the whole programme of roll-out of fibre-based lines was expected to be completed.

4. Mr. Andrew LO said that each project under the Subsidy Scheme involved works of higher degree of difficulty, for example, the roll-out of fibre-based submarine cables or works in very remote villages. As such, it was specified in the tender documents that the selected fixed network operators (“FNOs”) should complete the works under each project in phases within 5 to 6 years. Subsidies would only be released upon completion of relevant milestones of works by the selected FNOs in accordance with the tender specifications and the commitments made in their proposals. OFCA believed that the arrangements would help expedite or advance the completion of the related works for each project as far as practicable.

5. Mr. K K LAU said that as the development and popularisation of 5G services would weaken the demand for fixed and fibre-based broadband services, he hoped that the Subsidy Scheme could be completed as soon as possible to benefit more residents in remote areas earlier. Otherwise, they would be less inclined to subscribe to the fixed and fibre-based broadband services after the popularisation of 5G services.

6. The Chairman said that 5G services and the Subsidy Scheme complemented each other. The Subsidy Scheme helped enhance the overall coverage of fibre-based networks in Hong Kong. After the completion of the roll-out, the fibre-based networks could enable FNOs to provide high-speed fixed broadband services in those remote areas and their extensive coverage could provide mobile network operators with the necessary network infrastructure connections for installation of 5G radio base stations, and thus assisted them in extending their 5G networks for provision of 5G mobile services to villages in remote areas and the neighbouring areas.

7. Mr. Ricky CHONG enquired whether other FNOs would need the approvals of the selected FNOs or OFCA for the shared use of the subsidised network facilities, and how OFCA could ensure market competition in those remote areas where no other FNOs intended to provide high-speed broadband services.

8. Mr. Andrew LO said that to introduce market competition, the selected FNOs were required to open up at least half of the capacity of the network facilities subsidised under the Subsidy Scheme for use by other FNOs for free. They were required to promulgate relevant arrangements for the shared use of the facilities concerned and expedite the processing of other FNOs' applications for the shared use. Both parties would sign a sharing agreement on the shared use of the facilities concerned. While the selected FNOs were not allowed to charge other FNOs for the use of the facilities concerned, both parties might specify in the sharing agreement the circumstances under which certain reasonable costs would be shared. In addition, to provide the necessary flexibility, OFCA had included in the tender documents the relevant terms and conditions which allowed it to review the specific arrangements of the shared use of the facilities in light of the actual circumstances.

9. The Chairman said that OFCA had been relying on market forces and competition as its regulatory principles. Only when the market forces failed would OFCA intervene or interfere to ensure that the CA's policy objectives were achieved. Although the present Subsidy Scheme implemented by the Government was not within the regulatory ambit of the CA under the Telecommunications Ordinance ("TO"), FNOs would still be required to complete the related works in accordance with the contract terms. OFCA hoped to allow FNOs room for negotiation on the shared use of the subsidised network facilities so that a mutually beneficial agreement could be reached among themselves. Should the negotiations among FNOs fail to yield any agreement, OFCA might exercise its rights under the contract to intervene by playing a co-ordinating role and giving guidance to FNOs or even making arbitration in individual cases.

10. Dr. K W LAU relayed that the speed and stability problems of fixed broadband services had been troubling the villagers for long. He was pleased to see the Government launch the Subsidy Scheme. Dr. K W LAU would like to know whether any regulation was imposed on the service fees of FNOs during the tendering process and/or in the contracts.

11. Mr. Andrew LO responded that OFCA had already taken into account the issue of service fees when devising the Subsidy Scheme. OFCA prevented FNOs from charging villagers exorbitant service fees mainly through two arrangements, namely (1) introduction of market competition, viz., to require the selected FNOs to open up at least half of the capacity of the subsidised network facilities for use by other FNOs for free so that other FNOs could provide broadband services in the villages concerned through the shared use of the relevant facilities, and in turn offered more choices to the villagers. The service fees might also be pegged at a competitive level by market mechanism; and (2) inclusion of an evaluation on whether the selected FNOs would undertake to provide services to the villagers concerned at the prevailing market prices as part of the assessment of the proposals submitted under the Subsidy Scheme. The selected FNOs had made such service commitments to some of the villages.

12. The Chairman supplemented that the telecommunications market of Hong Kong had

been fully liberalised in 2003. With the development of the market, the CA no longer imposed regulation on pricing but relied on market forces and competition wherever possible to enhance and safeguard consumer interest. OFCA believed that the aforementioned arrangements could enable other FNOs to have access to the necessary infrastructure for providing services in the remote villages. Under a competitive environment, the broadband service fees could be pegged at a competitive level by market mechanism.

13. Mr. Richard TSANG enquired how many villages in remote areas were still unable to benefit from the Subsidy Scheme at present.

14. Mr. Andrew LO responded that OFCA finalised the list of villages covered under the Subsidy Scheme after taking into consideration the views collected during consultation with the Legislative Council, the relevant District Councils and Rural Committees, and the latest information provided by FNOs on network coverage in villages. Therefore, most of the villages currently located far away from the existing fibre-based backbone networks of FNOs had been covered under the Subsidy Scheme. Regarding the locations not incorporated into the Subsidy Scheme, they were generally very remote areas where the provision of the necessary infrastructure was difficult, such as villages without proper electricity supply (e.g. Tung Ping Chau). In addition, villages that had no usual residents or that had been converted to other uses and were no longer recognised villages were not incorporated into the Subsidy Scheme.

15. Mr. H C HUNG agreed to the Subsidy Scheme. He enquired about the number of villages under the Subsidy Scheme which were provided with broadband services at a speed higher than 25M, or even up to 1000M.

16. Mr. Andrew LO responded that on the whole, the selected FNOs had undertaken to provide broadband services with broadband speed ranging from 500M to 1000M to at least 80% of the villages under the Subsidy Scheme. OFCA believed that when fibre-based networks extended to the vicinity of the village entrances, the selected FNOs would more actively consider rolling out fibre-based networks within those villages and the percentage

of villages with high-speed broadband services might then be even higher. Other FNOs could also use the subsidised network facilities to provide high-speed broadband services to the villages concerned. In addition, the Subsidy Scheme would provide infrastructure for the deployment of other high-speed wireless broadband services, including 5G mobile and Wi-Fi services.

17. The Chairman said that network roll-out in villages usually involved private land or properties, and thus necessitated the selected FNOs to obtain prior consent from the relevant property owners for carrying out the works. Since the process was complicated, the selected FNOs might need more time to negotiate with the villagers before they could work out the arrangements for the related works. In addition, taking into account the geography and demography of the villages concerned, the selected FNOs could adopt technical solutions other than rolling out networks in villages, such as the radio access technology, like 5G technology, to provide high-speed broadband services to the villagers.

18. Mr. H C HUNG considered the Subsidy Scheme very successful as 80% of the villages covered by the scheme could enjoy broadband services with a speed of 1000M or above, whereas the broadband speed in many urban housing estates was 100M only. The villagers indeed benefited from the Subsidy Scheme.

19. Ms. Katy LAU enquired whether there was any time limit on the arrangement of opening up at least half of the capacity of the facilities for use by other FNOs for free, and whether OFCA would consider requiring the selected FNOs to further open up capacity for free use by other FNOs later to encourage and promote more effective competition.

20. Mr. Andrew LO said that in formulating the relevant requirements, OFCA had carefully considered the need to strike a balance between encouraging the participation of FNOs in the tender exercise and introducing market competition. OFCA did not set any time limit on the arrangement. If there was still opened-up capacity available for sharing, the selected FNOs should process the applications for shared use from other FNOs promptly. To provide the necessary flexibility, OFCA had included in the tender documents the relevant terms and conditions which allowed it to review the specific arrangements of

the shared use of the facilities, including the capacity to be opened up for sharing, in light of the actual circumstances.

21. The Chairman pointed out that the Subsidy Scheme was a novel scheme implemented by the Government for the first time to encourage FNOs by means of subsidy to extend fibre-based networks to villages in remote areas. As such, when OFCA devised the Subsidy Scheme, it worked out the implementation arrangements primarily in light of the actual circumstances of Hong Kong. OFCA would closely monitor the progress of the Subsidy Scheme to ensure that the related works would commence promptly and complete smoothly, thereby enabling the residents of the villages concerned to enjoy high-speed broadband services as soon as possible.

22. Mr. Ricky CHONG enquired whether FNOs could continue to use the subsidised fibre-based networks to provide services to the residents of the villages under the Subsidy Scheme and those in the neighbouring areas if the villages were later developed into housing estates.

23. Mr. Andrew LO responded that the Subsidy Scheme did not impose restrictions on the locations or target customers of the services provided through the subsidised network facilities. FNOs who intended to use the subsidised facilities to provide services to areas near the villages covered by the scheme could do so by extending their networks at the network interconnection points in the vicinity of the entrances of the villages concerned to the neighbouring areas.

### **III. Subsidy Scheme for Encouraging Early Deployment of 5G**

24. Ms. Cherry YU briefed the members on the Subsidy Scheme for Encouraging Early Deployment of 5G (“5G Subsidy Scheme”), including the background, details of application, assessment criteria and subsidy arrangement of the 5G Subsidy Scheme. Related information was set out in TUCAC Paper No. 2/2020.

25. The Chairman said that the prolonged epidemic over the past six months had dealt a heavy blow to various sectors. To mitigate the economic impacts of the epidemic, enhance

the competitiveness of different sectors as well as fostering the development and innovation of 5G technology, the Government had launched the 5G Subsidy Scheme under the second round of the Anti-epidemic Fund to encourage more organisations to have early deployment of 5G technology with a view to promoting sectoral or even cross-sectoral developments. As the 5G Subsidy Scheme was launched under the Anti-epidemic Fund, it was time-limited. The whole scheme should be completed by the end of March 2021.

26. Ms. Cherry YU said that as of the end of June, OFCA had received a total of 109 applications, with 56 failing to meet the application criteria, six approved and 11 withdrawn by the applicants.

27. The Chairman pointed out that the 5G Subsidy Scheme had been met with enthusiastic responses since its launch in May. OFCA continued to receive many applications and had been granting subsidies to eligible projects progressively. Applicants should note that the 5G Subsidy Scheme aimed at subsidising end users of 5G applications. If a project involved the development of applications/hardware only and upon its completion, the applicant did not actually deploy the applications/hardware concerned, it would not be covered by the Subsidy Scheme.

28. Mr. C M CHUNG would like to know what types of applications the approved projects belonged to.

29. Ms. Cherry YU responded that the approved projects included remote technical support and monitoring solution for elevators; 3D building information modelling in construction sites which facilitated engineers and relevant staff to have a quicker review on construction details; and remote e-sports car racing which allowed players to experience remote mini-car racing and enjoy the fun of e-sports. Relevant details had been set out in a press release issued by OFCA recently. Members of the public could stay tuned to OFCA's website for the relevant information which would be updated in a timely manner.

30. Mr. W C CHENG enquired whether any schools had applied for the 5G Subsidy



Scheme, and whether OFCA would consider stepping up publicity on the scheme to schools given that some of them had just resumed classes.

31. The Chairman responded that OFCA had promoted the 5G Subsidy Scheme through different channels. In fact, schools were one of the targeted subsidy recipients of the scheme. If members came to know any organisations, companies or schools interested in implementing innovative 5G projects, they might help introduce the 5G Subsidy Scheme to them. Details of the scheme, including the application guidelines and application form, were available on OFCA's website. Interested parties and organisations were welcome to visit the website for relevant information and submit applications via the website.

32. Ms. Katy LAU said that the Innovation and Technology Commission (ITC) also launched enhancement measures for the Technology Voucher Programme (TVP). She asked whether the measures would overlap with those under the 5G Subsidy Scheme and whether applicants could apply for the TVP and the 5G Subsidy Scheme at the same time.

33. The Chairman pointed out that as far as OFCA understood, the ITC had put in place various types of subsidies and initiatives which mostly targeted the development of technologies. The 5G Subsidy Scheme, on the contrary, targeted the application of 5G. Applicants could submit applications for projects aiming at enhancing business efficiency and competitiveness through the application of 5G. A company which indicated that it intended to develop 5G applications for its customers would not meet the application criteria for the scheme as the targets of the scheme were end users rather than providers of 5G applications. In that case, the company might advise its customers who were the end users of the 5G applications to apply for the 5G Subsidy Scheme.

34. Mr. Richard TSANG said that most of the school sponsoring bodies (SSBs) would apply for some sorts of subsidies from the Government and some might run a number of schools. If those SSBs intended to apply for the 5G Subsidy Scheme, how OFCA would handle and consider their applications

35. Ms. Cherry YU said that each applicant of the 5G Subsidy Scheme would be counted as an independent statutory body and be subsidised for one project only. For the scenario

raised by Mr. TSANG, it would depend on the organisation structure of the SSB concerned, for instance whether the schools under its umbrella were registered independently or as branches.

36. Mr. Richard TSANG continued to enquire whether an applicant who had already been granted \$500,000 through the 5G Subsidy Scheme for a project cost \$1,000,000 could apply for another subsidy from the Government for the remaining cost of the project, i.e. \$500,000.

37. Ms. Cherry YU replied that applicants who had already received subsidies under the 5G Subsidy Scheme could not receive other subsidies from the Government for the same project.

38. Mr. Ricky CHONG noted that applications for various subsidies for the same project were not allowed. He asked whether OFCA would accept the application of an independent entity which had only one of its two projects involving the application of 5G.

39. Ms. Cherry YU replied that applicants could make applications so long as their projects were related to the application of 5G and had not been granted any other government subsidies.

40. Mr. K K LAU considered the arrangement reasonable and fair as it could enable other types of subsidies be released to other applicants in need. Mr. K K LAU also enquired about the number of projects expected to be subsidised under the 5G Subsidy Scheme.

41. The Chairman replied that the approved funding of the 5G Subsidy Scheme could be sufficient to subsidise approximately 100 projects and the amount of subsidy for each project would be \$500,000 in maximum. The number of approved projects might eventually exceed 100 if the costs of some of the approved projects were lower.

42. Mr. Ricky CHONG asked whether the applications for the 5G Subsidy Scheme would be approved by an open assessment committee or by OFCA.

43. The Chairman replied that the applications for the 5G Subsidy Scheme would be assessed by an inter-departmental committee with representatives from, among others, the Commerce and Economic Development Bureau, the Office of the Government Chief Information Officer and OFCA.

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

##### TV Announcements

44. The Chairman said that OFCA had produced two new announcements for public interest (“APIs”) for broadcast on TV having regard to the members’ opinions at the 19<sup>th</sup> meeting on the TV APIs for the promotion of 5G and radiation safety of radio base stations. The Secretary then played the new APIs for members’ viewing. The Secretary pointed out that the new APIs would be broadcast on TV, the thematic website “Embracing the New 5G Era”, OFCA’s website and YouTube. Relevant API would also be broadcast on the radio.

##### Latest Statistics on Consumer Complaints

45. The Secretary reported that the CA had received 321 and 249 cases of consumer complaints in the 4<sup>th</sup> Quarter of 2019 and 1<sup>st</sup> Quarter of 2020 respectively. Among these complaints, all cases (100%) in the 4<sup>th</sup> Quarter of 2019 and 247 cases (99.2%) in the 1<sup>st</sup> Quarter of 2020 were outside the CA’s jurisdiction. These complaints primarily involved dissatisfaction with customer services, disputes over billing, disputes over contracts/service termination and dissatisfaction with the quality of mobile communications/fixed network/Internet services. In the 1<sup>st</sup> Quarter of 2020, there were two cases of possible contravention which were related to dissatisfaction with a mobile communications service provider for not revealing the terms and conditions of its roaming service and an alleged error in the billing system of an internet service provider. No substantiated case was confirmed to be in breach of the TO/license conditions in the 4<sup>th</sup> Quarter of 2019 and 1<sup>st</sup> Quarter of 2020. More details could be found on the CA’s website. The latest consumer

complaint statistics are in Annex 1.

46. Ms. W K CHENG noted that most of the complaints received by OFCA were not related to the breach of the TO. She asked whether consumers could approach the Consumer Council (CC) or other organisations in respect of those complaints, and through what channels OFCA received them. Given that OFCA had to handle the complaints even though most of them were not related to the breach of the TO, Ms. W K CHENG was concerned about the resources put in by OFCA in handling those complaints.

47. The Secretary said that OFCA received complaints from members of the public through various channels, including referrals from 1823. From OFCA's experience, some of the complainants had approached the CC before filing their complaints to OFCA. OFCA would refer those cases to the telecommunications operators concerned for follow-up and direct reply after seeking consent from the complainants. Although those complaints were not related to the breach of the TO, OFCA would take note of them as well as all the other complaints, and would consider taking actions and measures if any noteworthy systematic problems were detected. For example, the issue of mobile bill shock in the past.

48. Mr. K K LAU fully recognised the efforts made by the CC and OFCA on handling consumers' complaints. Consumers were undoubtedly upset when they lodged complaints. If OFCA did not handle the cases which were not related to the breach of the TO, the consumers would certainly be disappointed and might even lodge complaints against OFCA. It was a very proper arrangement for OFCA to refer the cases to the telecommunications operators concerned for follow-up as it could ensure that the cases would be attended to.

49. The Chairman said that the number of complaints received by OFCA to a certain extent reflected some potential problems in the telecommunications market or industry. Should there be a surge of a certain type of complaint cases or any noteworthy anomalies in the complaints, OFCA would take a closer look, follow up with the operators concerned and take appropriate actions. The significant decrease in the number of complaints against telecommunications services in recent years was also a result of the targeted actions taken by OFCA in response to consumers' complaints. OFCA also believed that the operators

were willing to cooperate and follow up the cases in order to enhance the quality of telecommunications and customer services and reduce the complaints received.

50. The Chairman said that the present meeting would be the last of the current term of membership. The Chairman thanked the members for taking time out of their busy schedules to attend the meetings and provide valuable opinions on the development of telecommunications services. He hoped that the members could serve in the next term and continue to help OFCA promote the development of the telecommunications market from the perspectives of consumers and users.

51. There being no other business, the meeting was adjourned at 5:00 p.m.

# Report on Consumer Complaints on Telecom Services

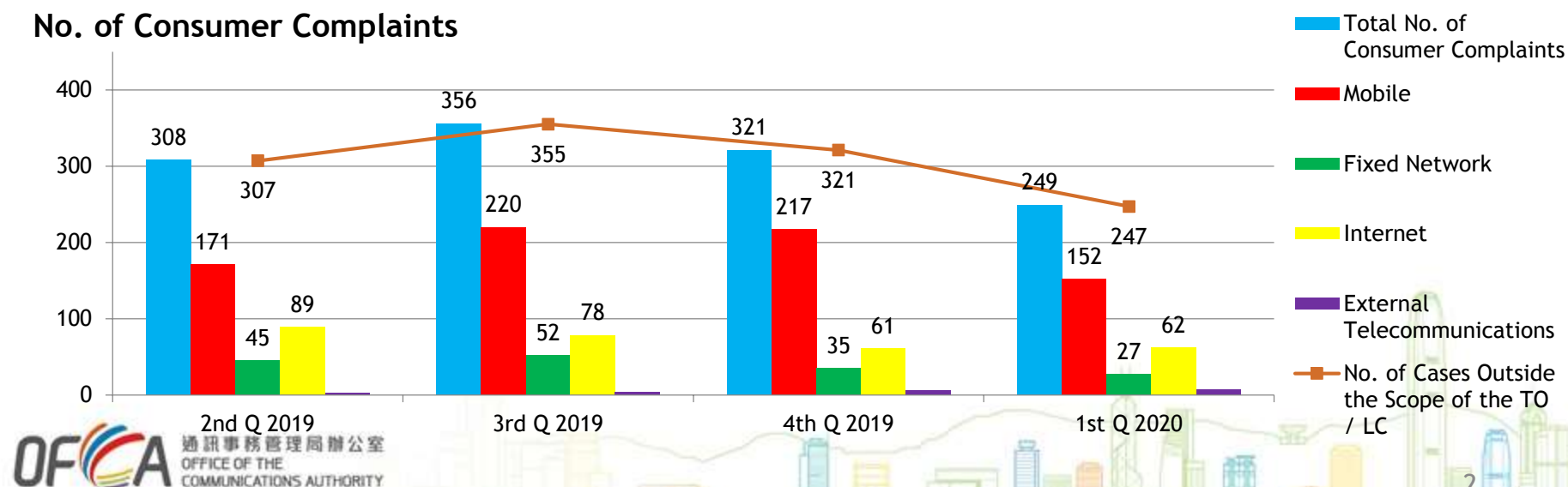
The Telecommunications Users and  
Consumers Advisory Committee  
The 20<sup>th</sup> Meeting  
2 July 2020



# Overview (4<sup>th</sup> Quarter of 2019 and 1<sup>st</sup> Quarter of 2020)

(Categorised by service types)	2 <sup>nd</sup> Q 2019	3 <sup>rd</sup> Q 2019	4 <sup>th</sup> Q 2019	1 <sup>st</sup> Q 2020	4 <sup>th</sup> Q 2019	1 <sup>st</sup> Q 2020	
<b>Total No. of Consumer Complaints</b>	<b>308</b>	<b>356</b>	<b>321</b>	<b>249</b>	<b>321</b>	<b>247</b>	<b>No. of Cases Outside the Scope of the Telecommunications Ordinance ("TO") / Licence Conditions ("LC")</b>
Mobile	171	220	217	152	217	151	
Fixed Network	45	52	35	27	35	27	
Internet	89	78	61	62	61	61	
External Telecommunications	3	4	6	7	6	7	

No. of Consumer Complaints



# No. of Complaints (4<sup>th</sup> Quarter of 2019 and 1<sup>st</sup> Quarter of 2020)

In the 4th Quarter of 2019 and the 1st Quarter of 2020, the Communications Authority (“CA”) received 321 cases and 249 cases of consumer complaints respectively, representing a significant drop from the 356 cases received in the 3rd Quarter of 2019. The number of complaints recorded a decrease in all service types.

No. of cases not involving any breach of the TO or LC : 321 and 247 cases in the 2 Quarters respectively

The cases mainly involved :	4th Q 2019	1st Q 2020
➤ Dissatisfaction with customer service :	88 cases	66 cases
➤ Disputes on bills :	64 cases	53 cases
➤ Disputes on contract terms / service termination :	63 cases	45 cases
➤ Dissatisfaction with the quality of mobile/ fixed network/Internet services :	43 cases	39 cases

No. of cases involving possible breach of the TO or LC : 2 cases in the 1st Quarter of 2020 only

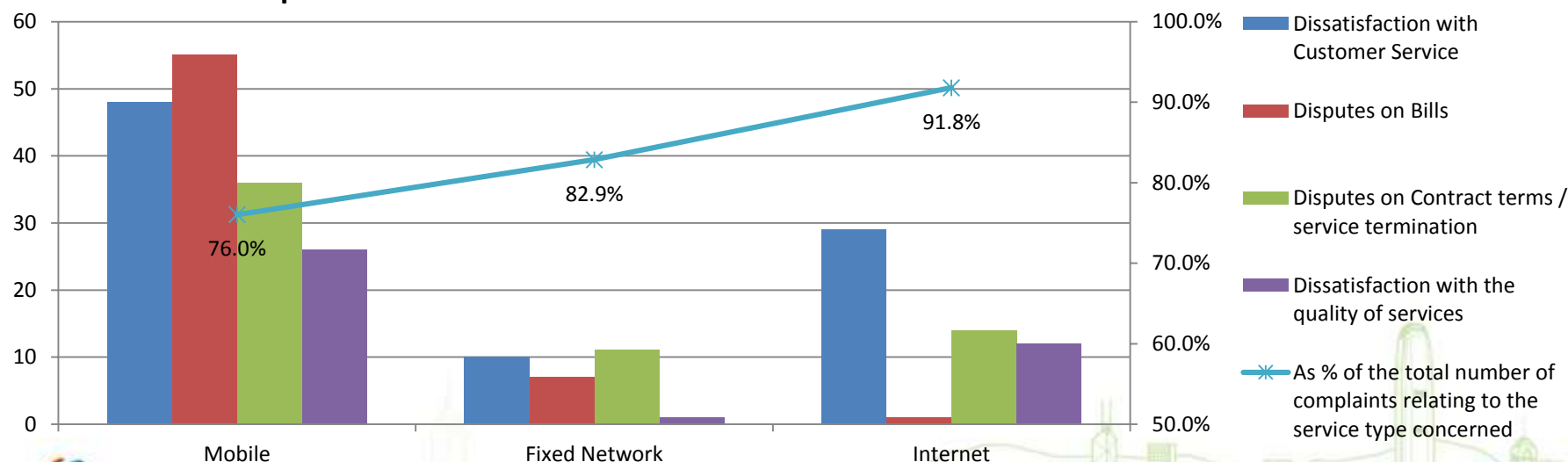
➤ Dissatisfaction on a mobile service provider not publishing the service details and terms of its roaming services :	0 case	1 case
➤ Alleged error in the billing system of an Internet service provider:	0 case	1 case



# No. of Complaints (4<sup>th</sup> Quarter of 2019)

<i>(Categorised by major service types)</i>	<u>Dissatisfaction with customer service</u>	<u>Disputes on bills</u>	<u>Disputes on contract terms / service termination</u>	<u>Dissatisfaction with the quality of services</u>	<u>As percentage of the total number of complaints relating to the service type concerned</u>
Mobile	48	55	39	26	76.0%
Fixed Network	10	7	11	1	82.9%
Internet	29	1	14	12	91.8%

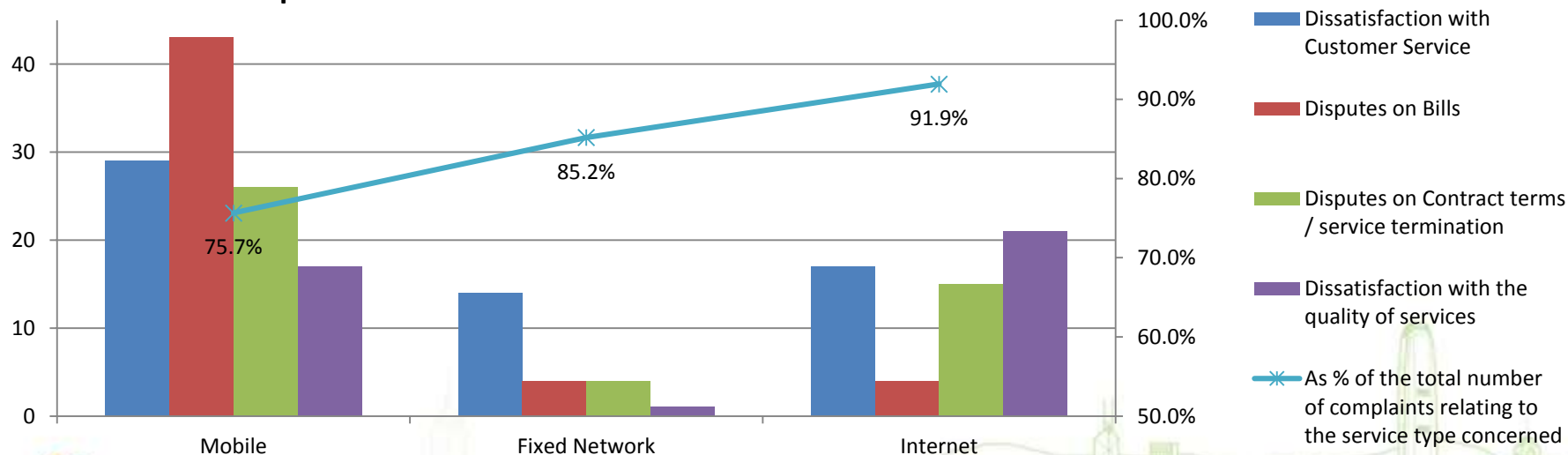
No. of Consumer Complaints



# No. of Complaints (1<sup>st</sup> Quarter of 2020)

<i>(Categorised by major service types)</i>	<u>Dissatisfaction with customer service</u>	<u>Disputes on bills</u>	<u>Disputes on contract terms / service termination</u>	<u>Dissatisfaction with the quality of services</u>	<u>As percentage of the total number of complaints relating to the service type concerned</u>
Mobile	29	43	26	17	75.7%
Fixed Network	14	4	4	1	85.2%
Internet	17	4	15	21	91.9%

No. of Consumer Complaints



# No. of Complaints (4<sup>th</sup> Quarter of 2019 and 1<sup>st</sup> Quarter of 2020)

## Case Analysis of Breach of the TO / LC

In the 4th Quarter of 2019 and 1st Quarter of 2020, there was no substantiated case of breach of the TO/LC.



# Thank You

