

Telecommunications Regulatory Affairs Advisory Committee

Minutes of the First Meeting Held on Tuesday, 10 July 2012 at 2:30 p.m. in IPD Conference Room, 25/F Wu Chung House

Present

Mr Y K Ha	Office of the Communications Authority (OFCA) (Chairman)
Mr Danny Lau	OFCA (Secretary)
Mr Jordan Lee	Wharf T&T Limited
Mr Raymond Chan	Hong Kong Cable Television Limited
Mr Brian Ho	TraxComm Limited
Ms Alison Ko	CSL Limited
Mr Charles Yeung	Hong Kong Broadband Network Limited
Mr Alex Cheng	China Mobile Hong Kong Company Limited
Mr Gilbert Chan	Communications Association of Hong Kong
Ms Karen Mo	Hutchison Global Communications Limited and Hutchison Telephone Company Limited
Mr Andrew Hung	HKC Network Limited
Mr Stephen Chan	External telecommunications services (ETS) providers as a group
Dr Andrew Simpson	Ad personam
Mr Marcus Vass	Hong Kong Telecommunications Users Group
Prof Xu Yan	Ad personam
Ms Eva Chan	Ad personam
Mr Walter Ngan	Towngas Telecommunications Fixed Network Limited
Ir Andy Lam	The Hong Kong Institution of Engineers
Ms Lilian Liu	Mobile virtual network operators (MVNOs) as a group
Mr Allen Law	Services-based operators (SBOs) as a group
Mr Roger Tong	External fixed operators as a group
Mr Sutton Cheung	ComNet Telecom (HK) Limited

Mr Vincent Lam	The Institution of Engineering and Technology Hong Kong
Mr T L Or	SmarTone Communications Limited and SmarTone Mobile Communications Limited
Mr Robert SzeTo	Hong Kong Police Force
Mr Peter Lam	PCCW-HKT Telephone Limited, Hong Kong Telecommunications (HKT) Limited and Genius Brand Limited
Mr Charles Mok	Hong Kong Information Technology Federation
Dr Victor Hung	Consumer Council
Mr Joseph Leung	Hong Kong Wireless Technology Industry Association
Mr Richard Leung	New World Telecommunications Limited

In Attendance

Mr Desmond Young	CSL Limited
Mr T M Lau	Hutchison Global Communications Limited and Hutchison Telephone Company Limited
Mr Kenneth Kwok	ComNet Telecom (HK) Limited
Dr Y H Shum	The Institution of Engineering and Technology Hong Kong
Mr W H Tang	PCCW-HKT Telephone Limited, Hong Kong Telecommunications (HKT) Limited and Genius Brand Limited
Mr T F So	OFCA
Mr Chaucer Leung	OFCA
Mr T Y Chan	OFCA
Ms Helen Lai	OFCA
Mr Warren Kwok	OFCA
Mr Isaac Ip	OFCA
Ms Annie Lo	OFCA
Ms Christine Chim	OFCA
Mr Wilson Lee	OFCA

Absent with Apologies

Ms Christy Ditchburn	Telstra International HK Limited and Telstra International Limited
Mr Raymond Wong	Paging operators as a group
Mr Eric Yeung	Small and Medium Enterprises
Mr York Mok	Ad personam
Ms Fannie Cheung	Ad personam

At the start of the meeting, the Chairman welcomed Members to the new term under the Telecommunications Regulatory Affairs Advisory Committee (TRAAC). He introduced Dr Victor Hung from the Consumer Council, Mr Charles Mok from Hong Kong Information Technology Federation, Mr Marcus Vass from Hong Kong Telecommunications Users Group; as well as representatives of SBOs – Mr Allen Law, MVNOs – Ms Lilian Liu, external fixed operators – Mr Roger Tong, ETS providers – Mr Stephen Chan; and other individuals appointed on an ad personam basis including Dr Andrew Simpson, Prof Xu Yan and Ms Eva Chan.

Item 1 Introduction to the Communications Authority (CA), OFCA and their Committees

2. At the invitation of the Chairman, Ms Christine Chim gave an introduction of the CA, OFCA, their Committees and the terms of reference of the TRAAC. A copy of the presentation slides is given at **Annex A**.

3. In relation to the terms of reference of the TRAAC, the Chairman drew Members' attention that the TRAAC would also deliberate issues related to numbering and administration of number resources, which were previously discussed under the former Telecommunications Numbering Advisory Committee. In case of complex numbering issues, the TRAAC may consider establishing an

ad-hoc working group to specifically address these matters and to make recommendations to the TRAAC.

Item 2 Progress report

Outcome of the Asia-Pacific Telecommunity (APT) International Mobile Roaming Working Group (IMR WG)

4. Ms Helen Lai reported the outcome of the APT IMR WG, a copy of the presentation slides is given at **Annex B**. The IMR WG was established after the first APT workshop on IMR held in June 2010, and the former Office of the Telecommunications Authority (now OFCA) was appointed as chair of the IMR WG. In June 2011, OFCA and APT co-hosted the second IMR workshop in Hong Kong. In May 2012, the IMR WG finalised a set of guidelines and recommendations on IMR in the third IMR workshop held in Bangkok.

5. Ms. Lai informed Members that the IMR WG was well aware of the fact that there is no common supranational regulatory framework in Asia Pacific that encompasses all economies in the region, and it is therefore not feasible to implement roaming price regulation in Asia Pacific on a regional basis. That was the reason why the IMR WG focused on non-price aspects for addressing the issue of high roaming prices, namely: (a) enhancing the transparency of IMR information; (b) introducing measures to address mobile bill shock; (c) introducing substitutes for IMR services; and (d) exploring the feasibility of bilateral or multilateral arrangements on IMR with other economies.

6. These guidelines and recommendations were subsequently presented by OFCA, as the chair of the IMR WG, at the 12th APT Policy and Regulatory Forum held in Bangkok in May 2012, which was attended by over 160 participants. The IMR WG Final Report including the WG's views as well as the guidelines and recommendations put forward by the WG, had been uploaded to the APT's website¹.

¹ A copy of the report can be obtained from http://www.apr.int/sites/default/files/2012/05/APR_IMR_Working_Group_Report_Final.pdf.

7. In response to the Chairman's enquiry of the way forward after publication of the IMR WG Final Report, Ms Helen Lai said that the APT Secretariat has not yet made any decision. That said, during the 12th APT Policy and Regulatory Forum, all APT member economies were encouraged to make reference to these guidelines and recommendations when they deliberate the issue of high IMR prices. Furthermore, the APT has already shared the IMR WG Final Report with the International Telecommunications Union.

8. The Chairman pointed out that Hong Kong operators have enhanced transparency of IMR charges and introduced measures to address mobile bill shock. In Hong Kong, a wide range of roaming substitutes has been made available to consumers at affordable prices, in particular the "Single-Card-Multiple-Number" service (SCMNS). During the APT IMR workshops, OFCA introduced the concept of SCMNS and many workshop participants showed keen interests in this substitute.

9. In relation to whether economies would consider bilateral or multilateral arrangement on IMR, the Chairman indicated that this would hinge on the geographical, economic and political relationship between the economies concerned. Ms Helen Lai said that New Zealand and Australia had announced in April 2011 a joint investigation into trans-Tasman mobile roaming. The two governments were expected to release their final decision on the outcome of the investigation by end of this year. The Chairman added that Singapore and Malaysia had also reached bilateral arrangement on IMR last year, which subsequently brought down the IMR charges between the two economies.

10. Mr Richard Leung asked whether Hong Kong would have similar bilateral arrangement on IMR with the Mainland and Macau. Mr Danny Lau said that OFCA had separately discussed the issue of mobile roaming with the relevant regulatory authorities of the Mainland and Macau. It has been the consensus of these authorities that the SCMNS could serve as perfect substitute for users travelling between the two places.

11. In sum, the Chairman considered that pursuing bilateral or

multilateral arrangement on IMR would be a difficult task and could not be a unilateral initiative. He expressed gratitude to the members of IMR WG and OFCA's colleagues for their effort and contributions in the IMR WG.

Implementation of the Code of Practice in relation to Billing Information and Payment Collection for Telecommunications Services (CoP)

12. At the invitation of the Chairman, Mr Warren Kwok gave an update on the recent implementation of the CoP. A copy of the presentation slides is given at **Annex C**.

13. Dr Victor Hung asked whether the CoP was issued on a mandatory basis. In response, Mr Warren Kwok said that although the CoP is voluntary in nature, seven fixed and five mobile network operators have pledged compliance with the CoP. The Chairman pointed out that there had been debates from time to time as to whether a voluntary or mandatory approach should be employed. He cited a number of examples where OFCA had adopted a voluntary approach over the past few years viz. (a) the implementation of bill shock measures by the mobile network operators, (b) the issue of the industry "Code of Practice for Telecommunications Service Contracts" and (c) the promulgation of the "Code for Provision of Chargeable Mobile Content Services" by the Communications Association of Hong Kong (CAHK). In all cases, OFCA and the lead trade association (as the case may be) had successfully secured major fixed and mobile network operators' agreement in adopting the various measures and it can be seen that these self-regulatory or co-regulatory initiatives have been working well in serving the public interest.

14. Dr Victor Hung said that while the Consumer Council would not be in a position to say which approach would be better, he was of the view that certain terms that appeared in the CoP (such as reasonable charge) would be subject to interpretation between an operator and consumers. He asked which party would be responsible for making a judgement and whether there be any measures in place in case of disputes. Dr Hung considered it insufficient if operators simply declared compliance with the CoP.

15. In response, the Chairman said that OFCA would closely monitor the situation. Should there be frequent non-compliance with the CoP, OFCA will not hesitate to take the necessary regulatory action. Mr Danny Lau added that the self-regulatory or co-regulatory approach is very popular in other advanced economies, such as Australia and the United Kingdom. OFCA has hitherto issued a number of voluntary guidelines and code of practices on various subjects. With the cooperation of the industry, it was noted that the number of complaints pertaining to the relevant issues declined over the past few years.

16. Mr Lau stressed that OFCA would closely monitor the effectiveness of the CoP as well as other guidelines and code of practices and OFCA will step up regulatory efforts should situation warrant. In conclusion, the Chairman said that depending on the circumstance and outcome, OFCA may resort to mandatory measures in furtherance of the public interest. For example, with a view to ensuring a uniform application of fair usage policy by all broadband services providers, the former Telecommunications Authority has issued the mandatory “Guidelines for the Implementation of Fair Usage Policy for the Provision of Mobile and Fixed Broadband Services” in November 2011.

Item 3 **Voluntary Registration Scheme for Buildings with Optical Fibre Access Networks - Second Stage (TRAAC Paper No. 1/2012 - Presentation Slides)**

17. Mr Isaac Ip gave a presentation² on TRAAC Paper No. 1/2012, which provided (a) a summary of the progress of the first stage of the scheme and (b) the proposed second stage implementation to extend the scheme to cover non-residential buildings including commercial buildings, industrial buildings and government buildings. Mr Ip made a demonstration of searching the online register of the scheme as well as playback of publicity video during the presentation.

18. The Chairman expressed his appreciation to the fixed network

² The presentation slides are available at http://www.ofca.gov.hk/filemanager/ofca/common/about_us/advisory_committees/traac/traac01_2012_p.pdf.

operators which had participated in first stage of the scheme, and to PCCW which had recently confirmed its participation. He called on all operators to give further support to the initiative and to participate actively in the second stage of the scheme. According to OFCA's information as of July 2012, there were some 4,000 Fibre-to-the-Building (FTTB) and 7,000 Fibre-to-the-Home (FTTH) registered buildings, representing about 80% coverage of the total households in Hong Kong. Mr T F So added that it would take about three months for the operators to prepare their data and the second stage would commence around end 2012.

19. The Chairman recapped the objectives of the registration scheme³ –

- (a) providing information on and raising public awareness of the availability of optical fibre access facilities to individual buildings; and
- (b) promoting the further development of the broadband infrastructure in Hong Kong.

He pointed out that according to the latest survey result released by the FTTH Council⁴, South Korea and United Arab Emirates have taken the first and second places respectively while Hong Kong continued to rank third in terms of the household penetration of FTTH/FTTB networks. As some economies (such as Australia and Singapore governments) have spent billion of dollars in building their national broadband networks, he expected that Hong Kong would face challenges to maintain its position in the years ahead.

20. Prof Xu Yan considered that by labelling “FTTH” and “FTTB” as the first and second classes to buildings respectively and publishing the names of the FTTH operators serving individual buildings, it would exert pressure to those FTTB operators to expedite deployment of fibre-based network at home level, thereby enabling a higher FTTH penetration rate in Hong Kong. In response, Mr T F So said that OFCA would discuss

³ See paragraph 2 of Information Note on the Voluntary Registration Scheme for Buildings with Optical Fibre Access Networks, available at http://tel_archives.ofca.gov.hk/en/industry/fibre/i_01.pdf.

⁴ A copy of the FTTH Global Ranking can be obtained at http://s.ftthcouncil.org/files/2012_global_ranking_ftth_all_countries_0.pdf.

with the fixed network operators about the stage two implementation in the coming months. Taking this opportunity, OFCA would also seek their views on whether they would like to identify themselves and the types of services (FTTH or FTTB services) that they provide at the registered buildings.

21. Mr Jordan Lee sought clarification on (a) whether the figures in respect of the numbers of FTTH and FTTB buildings mentioned in slide 4 of OFCA's presentation slides were mutually exclusive; and (b) whether OFCA collected any profile or information of users who had accessed the on-line register. Mr Lee was of the view that the current layout of the register was not so handy for information searching, and that the current scheme would introduce a labelling effect on residential buildings. In relation to the second stage of the scheme, he suggested that the Government should take the lead by allowing the fixed network operators to access the government buildings for deployment of optical fibre access networks, and hence set an example to the landlords/building management offices of private buildings to facilitate expeditious rollout of optical fibre access networks in their buildings.

22. The Chairman noted Wharf T&T's comments, and clarified that the two figures in slide 4 were mutually exclusive and that OFCA did not keep users' information on their visits to OFCA's website. Understanding that some fixed network operators might encounter difficulties in gaining access government buildings, the Chairman said that OFCA would collaborate with other government departments and render assistance to the fixed network operators to promote the awareness and facilitate deployment of optical fibre access networks within government buildings. As OFCA would like to make progress on all fronts at the same time, it therefore remained OFCA's intention to include non-residential buildings in the second stage of the scheme. Mr T F So added that OFCA would further discuss with the industry on the detailed implementation of the proposal.

23. Ir Andy Lam expressed concern with the prices of broadband services as fixed network operators may pass on the cost of the optical fibre access network to the end-users. He asked whether OFCA would issue any guidelines to control the prices or impose price ceilings on

broadband services.

24. The Chairman clarified that the Hong Kong telecommunications market has been fully liberalised since 2003. Since 2005, the Government did not control the tariff of any telecommunications services provided to end customers. He said that more than 86% of Hong Kong residential households now have a choice of operators for broadband internet services (and in some places, there is a choice of as many as four broadband services providers). Consumers can shop around and choose an operator that would offer a service plan with the quality and price which suits him/her most. In fact, according to a benchmarking study commissioned by the former Office of the Telecommunications Authority⁵, Hong Kong residents have been enjoying the lowest tariff of broadband internet services among a number of cities in advanced economies, namely Shanghai, Singapore, Tokyo, Copenhagen, London and New York.

25. The Chairman said that OFCA would continue to conduct surveys from time to time as well as closely monitor the prices of various telecommunications services. Concerning price control mechanism, OFCA would issue a consultation paper tentatively early next year on a proposal to withdraw the regulatory guidance on fixed-fixed interconnection charge (FFIC). If the proposal is adopted, the only price control that will remain will be the price cap imposed on the International Call Forwarding Services (ICFS) charge.

Item 4 Re-establishment of the Next Generation Network Working Group (TRAAC Paper No. 2/2012)

26. At the invitation of the Chairman, Mr T Y Chan gave a presentation⁶ on the proposed re-establishment of the Next Generation Network Working Group (NGN WG) to follow up the recommendations of the consultant and to oversee all issues related to Next Generation

⁵ A copy of the report can be obtained from <http://tel.archives.ofca.gov.hk/en/report-paper-guide/report/rp20110508.pdf>.

⁶ The presentation slides are available at http://www.ofca.gov.hk/filemanager/ofca/common/about_us/advisory_committees/traac/traac02_2012_p.pdf.

Network standardisation and interoperability. He said that subgroups may be formed within the NGN WG to address specific issues in the course of deliberation of the relevant subject matters.

27. The Chairman invited Members to make nominations for the NGN WG. Each Member may nominate him/herself or a representative from their company/group to participate in the NGN WG. OFCA may also invite other professional bodies and organisations to join the NGN WG on a need basis.

28. OFCA would shortly issue emails to Members after the meeting inviting them to make the nomination. Representatives would be informed of the date of the first NGN WG meeting in due course.

(Post Meeting Note: The email was dispatched to Members on 11 July 2012 .)

Item 5 Any Other Business

29. The Chairman said that the TRAAC meeting would be held three times a year and the next meeting would tentatively be convened at around year end. Members were welcome to propose agenda items to OFCA for discussion in the TRAAC.

30. There being no other business, the meeting was adjourned at 4:20 pm.

**Office of the Communications Authority
August 2012**

Introduction to the Communications Authority, the Office of the Communications Authority and their Committees

The Telecommunication Regulatory Affairs Committee
10 July 2012

Part I: Background

Previous institutions: BA and TA

- ▶ **Two separate regulators for broadcasting and telecommunications sectors**
 - **The Broadcasting Authority (BA)**
 - An independent statutory body
 - Supported by the broadcasting division of the Television and Entertainment Licensing Authority (TELA)
 - **The Telecommunications Authority (TA)**
 - A public officer
 - Supported by a government department, Office of the Telecommunications Authority (OFTA) with the department head also appointed as the TA

Present institutions: CA and OFCA

- ▶ **A unified regulator established on 1 April 2012 to regulate broadcasting and telecommunications sectors**
 - **The Communications Authority (CA)**
 - An independent statutory body established under the Communications Authority Ordinance (CAO) (Cap. 616)
 - Assumes the statutory powers and functions transferred from BA and TA
 - **The Office of the Communications Authority (OFCA)**
 - A government department formed by merging OFTA and relevant divisions of TELA
 - Executive arm of CA
 - Headed by Director-General of Communications (DG Com)

Part II: CA

Functions of CA

- ▶ **The CA has all the functions conferred on it by or under**
 - The CAO
 - The Broadcasting Ordinance (Cap. 562) (BO)
 - The Broadcasting (Miscellaneous Provisions) Ordinance (Cap. 391) (BMPO)
 - The Telecommunications Ordinance (Cap. 106) (TO)
 - The Unsolicited Electronic Messages Ordinance (Cap. 593) (UEMO)
- ▶ **It also tenders advice to the Secretary for Commerce and Economic Development on any legislation, legislative proposals and regulatory policies relating to telecommunications, broadcasting, anti-spamming or activities connected with the broadcasting or telecommunications sectors**

Vision and Mission of CA

► Vision

- Our vision is that Hong Kong has the world-class communications services to meet the challenges of the information age

► Mission

- We are committed to
 - Fostering an environment that supports a vibrant communications sector to enhance Hong Kong's position as a communications hub in the region
 - Encouraging innovation and investment in the communications market
 - Promoting competition and adoption of best practices in the communications market for the benefit of the industry and consumers
 - Acting in a manner consistent with the provisions of the Hong Kong Bill of Rights Ordinance (Cap. 383)

Composition of CA

► The CA consists of

- 10 non-official members appointed by the Chief Executive (CE)
- One public officer appointed by CE
- DG Com

► First appointment with a term of three years from 1 April 2012 to 31 March 2015

- Chairperson: Mr Ambrose HO (non - official)
- Vice-chairperson: Permanent Secretary for Commerce and Economic Development (Communications and Technology)
- Non-official members: 9 members
- Official member: DG Com
- The list of members is available at CA's website:
http://www.coms-auth.hk/en/about_us/members/index.html

Part III: OFCA (including OFNAA)

Functions of OFCA (1)

► Broadcasting , telecommunications and anti-spamming related functions

- Support and assist the CA in implementation of its decisions
- Support and assist any committees of the CA in the performance of its functions
- Perform some of CA's functions according to the delegation made under section 18 of CAO
- Undertake non-CA functions tasked by the Government and the Secretary for Commerce and Economic Development such as administrative functions on broadcasting, telecommunications and anti-spamming matters
- The aforesaid functions are operated under trading-fund basis
- More details could be found at OFCA's website at www.ofca.gov.hk

Functions of OFCA (2)

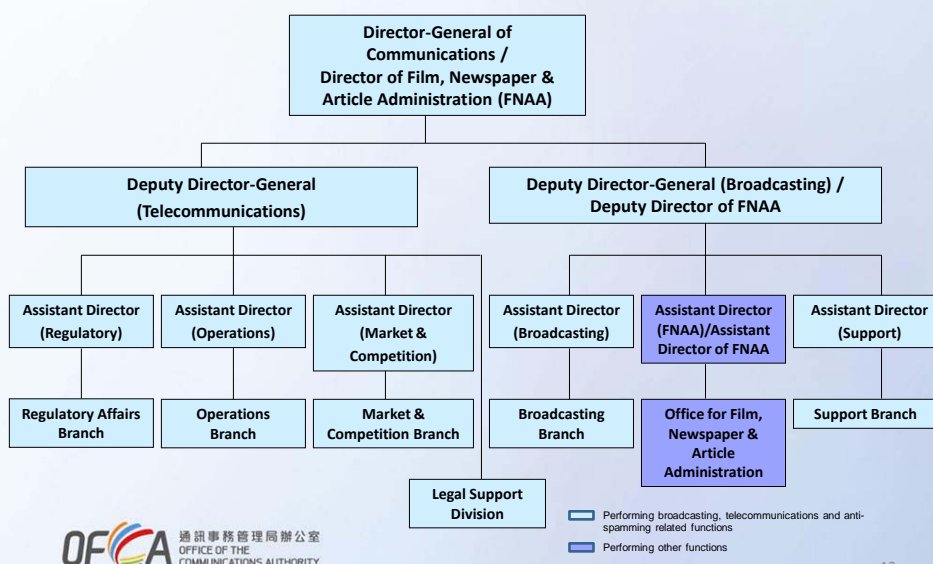
► Other functions

- Some of the non-broadcasting functions under TELA are transferred to OFCA which are not under the purview of CA
- They include film classification*, control of obscene and indecent articles*, and newspaper registration^
- The branch in OFCA responsible for running the other functions is identified as “Office for Film, Newspaper and Article Administration” (OFNAA)
- The source of funding for performing these functions is from the General Revenue
- OFNAA has its own website (www.ofnaa.gov.hk) separate from OFCA

* They are under the policy portfolio of Commerce and Economic Development Bureau.

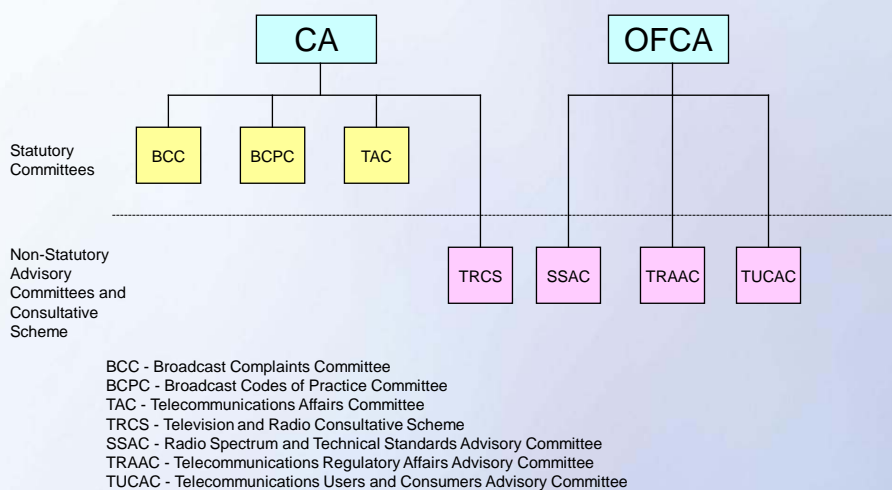
^ The policy bureau is Constitutional and Mainland Affairs Bureau.

Organisation Structure of OFCA



Part IV: Their Committees (including Terms of Reference for TRAAC)

Committees/Consultative Scheme under CA/OFCA



Committees & Consultative Scheme under CA

- ▶ **The CA may appoint any committees it thinks fit to**
 - Advise either generally or in respect of any particular matter or aspect concerning its functions
 - Assist the Authority in performing any of its function
- ▶ **Three statutory committees are formed to provide advice (but not to perform any functions) to the CA**
 - Broadcast Complaints Committee (BCC)
 - Broadcast Codes of Practice Committee (BCPC)
 - Telecommunications Affairs Committee (TAC)
- ▶ **A consultative scheme (non-statutory) is established under CA**
 - Television and Radio Consultative Scheme (TRCS)

BCC

- ▶ **Terms of reference**
 - The BCC shall consider complaints about broadcast services and to make recommendations to CA
- ▶ **Membership of committee**
 - Chairperson: Mr Adrian WONG (CA Member)
 - CA Members: 3
 - Co-opted Members: 4
 - The list of members is available at CA's website
http://www.coms-auth.hk/en/about_us/committees/bcc/index.html

BCPC

► Terms of reference

- The Committee shall offer advice and report to CA on codes of practice relating to programmes, advertising and technical standards to be observed by broadcasters

► Membership of committee

- Chairperson: Mr Raymond Roy WONG (CA Member)
- CA Members: 2
- Co-opted Members: 3
- The list of members is available at CA's website
http://www.coms-auth.hk/en/about_us/committees/bcpc/index.html

TAC

► Terms of reference

- The Committee shall offer advice and reports to CA on telecommunications matters in relation to
 - Issue of determinations, authorizations, directions, notices, papers for consultation, statements, guidelines, and codes of practice
 - Investigation into complaints pertaining to misleading or deceptive conduct of telecommunications licensees

► Membership of committee

- Chairperson: Mr AU Man-ho (CA Member)
- CA Members: 3
- The list of members is available at CA's website
http://www.coms-auth.hk/en/about_us/committees/tac/index.html

TRCS

▶ Purpose

- Gather public opinions on broadcasting contents for formulation of broadcasting rules that can reflect community standards

▶ Membership

- About 540 members
- Form a mix that mirrors the population profile of Hong Kong by age, sex and occupation from different districts in Hong Kong

Advisory Committees under OFCA

▶ Three advisory committees has been set up to give advice to DG Com

- Radio Spectrum and Technical Standards Advisory Committee (SSAC)
- Telecommunications Regulatory Affairs Advisory Committee (TRAAC)
- Telecommunications Users and Consumers Advisory Committee (TUCAC)

▶ They are not formed under CAO or other statutes

Terms of reference for TRAAC

- ▶ **To advise the DG COM on**
 - all economic and technical regulatory issues related to the development of telecommunications in Hong Kong, including the administration of number resources but excluding such issues which are handled by other competent advisory committees set up under the auspices of the Office of the Communications Authority

Thank you

Outcome of Asia-Pacific Telecommunity (APT) International Mobile Roaming (IMR) Working Group (WG)

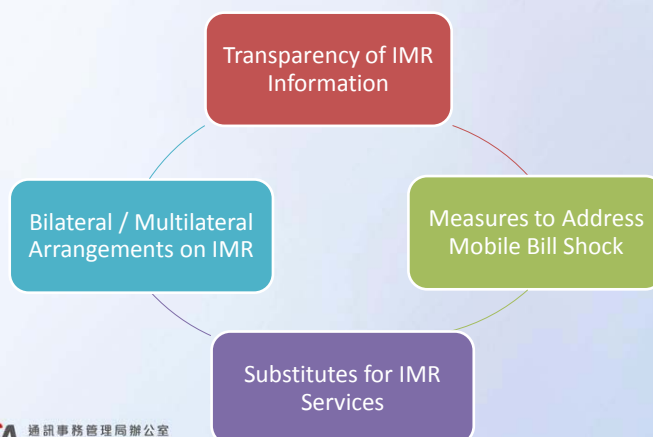
Telecommunications Regulatory Affairs Advisory Committee
10 July 2012

Work of APT IMR WG

1st APT IMR Workshop:
Brisbane, Australia (June 2010)

2nd APT IMR Workshop:
Hong Kong (June 2011)

3rd APT IMR Workshop:
Bangkok, Thailand (May 2012)



Transparency of IMR Information

WG's Views:

- Transparency is an essential component for achieving effective consumer protection
- IMR tariffs may not be easy for the general public to understand
- Charging structure for IMR services may be different from that of domestic mobile services
- Need to enhance transparency of IMR information to arouse consumer awareness and thereby protect consumer interests

WG's Output:

- Guidelines for Regulators to Provide Information on IMR Services
- Guidelines for Operators to Provide Information on IMR Services

Measures to Address Mobile Bill Shock

WG's Views:

- Some mobile users may not be aware of mobile data usage as a result of automatic data downloading or software updating
- It may not be easy to estimate data usage volume of different types of mobile applications
- Measures to address bill shock will offer consumer protection and help maintain customer confidence on mobile data usage
- Useful for APT member economies to follow a common framework on bill shock measures, but the details of implementation should be decided by individual economies

WG's Output:

- Recommended Measures to Address Mobile Bill Shock

Substitutes for IMR Services

WG's Views:

- Roaming substitutes may not directly result in price reduction in IMR services
- Roaming substitutes should be facilitated and promoted so that consumers are well aware of the choices that are available in the market
- Success of any substitute may depend on many factors, e.g. the policy and regulatory framework, development stage of the telecommunications market, consumer awareness, consumer demands, pricing structure, coordination among regulatory authorities, etc.

WG's Output:

- Recommendations on Roaming Substitutes

Bilateral / Multilateral Arrangements on IMR

WG's Views:

- No common supranational regulatory framework in Asia Pacific that encompasses all economies in the region → Not feasible to implement IMR price regulation in Asia Pacific on a regional basis
- There are difficulties and obstacles that may make IMR price regulation in Asia Pacific on a regional basis difficult
- Price regulation may not necessarily make the IMR services market more competitive
- Instead of price regulation on a regional basis, APT member economies may explore the feasibility of bilateral or multilateral arrangement on IMR as a way to address the issue of high IMR prices

WG's Output:

- Recommendations on Bilateral or Multilateral Arrangements on IMR

IMR WG Final Report

- The IMR WG Final Report, including the WG's views as well as the guidelines and recommendations put forward by the WG, has been uploaded to the APT's website at:
http://www.apr.int/sites/default/files/2012/05/APR_IMR_Working_Group_Report_Final.pdf.
- OFCA, as the chairperson of the WG, presented the guidelines and recommendations at the 12th APR Policy and Regulatory Forum held in Bangkok in May 2012
- All APR member economies are encouraged to make reference to the guidelines and recommendations when they deliberate the issue of high IMR prices

- End -

Appendix

Guidelines and Recommendations of APT IMR WG

Guidelines for Regulators to Provide Information on International Mobile Roaming (IMR) Services

This document aims at providing guidelines to regulators on the type of information and consumer advices in relation to IMR services that should be made available to the general public, including a general notification to consumers, that IMR charges are significantly more expensive than charges of domestic mobile services and providing information about alternatives to IMR services that consumers may consider using when traveling overseas.

Regulators should have a webpage on their websites dedicated for provision of IMR-related information and advices to consumers, and the webpage should include the following:

1. A plain description of IMR services
2. A prominent notification that using IMR services may be significantly more expensive than using domestic mobile services
3. That IMR charges may apply to the following activities undertaken on a mobile phone while travelling overseas:
 - making and receiving calls
 - receiving and retrieving voicemail messages
 - sending and receiving SMS messages and multi-media messages
 - using mobile data services, including but not limited to browsing the internet, sending and receiving emails
4. Before their departure, consumers are highly encouraged to obtain from their mobile service providers the detailed information of IMR charges applicable to their visited countries, and should take note of the following:
 - a) how call duration would be counted for calculation of IMR charges (e.g. on per-second or per-minute or any other basis)

- b) whether any fixed charge for call connection would be levied in addition to the charge based on call duration
 - c) data service prices while roaming
 - d) whether there would be any difference in charges during peak and off-peak hours
 - e) whether there would be any difference in charges among different mobile networks in the visited country, and remind consumers that they may manually select the designated network under the "manual" mode of the network selection when traveling in the visited country
5. Hyperlinks to the webpages of individual operators dedicated for IMR-related information (Regulators should work with their operators to ensure that their operators have followed the "***Guidelines for Operators to Provide Information on IMR Services***" when providing information on their websites)
 6. Information of various types of alternatives to IMR services, including but not limited to a description of how these alternatives are used, their advantages and limitations, etc.

The aforementioned information is the recommended minimum information that regulators should provide to consumers in relation to IMR services. Regulators may consider providing further information and/or consumer advices in relation to IMR services on their websites, depending on their market situations. If considered appropriate, a regulator may discuss with its operators and agree on a common set of information that should be provided by all its operators in relation to IMR services for publication on the regulator's website.

Regulators should regularly review the IMR-related information provided on their websites to ensure that the information is up-to-date as operators may revise their IMR-related information from time to time.

Guidelines for Operators to Provide Information on International Mobile Roaming (IMR) Services

Introduction

This document aims at providing guidelines to home operators on the type of information in relation to IMR services that should be provided to their customers with a view to enhancing transparency on IMR services. Home operators should at all times provide clear, accurate and up-to-date information on IMR services, and information should be presented in a way that is easy for the general public to understand. Furthermore, it is good practice for home operators to display IMR-related information on their website so that it would be easier for their customers to locate the information.

Part A: Generic information about IMR services

The following information about IMR services is unlikely to change much over time. In addition to providing such information through their websites and customer service hotlines, home operators may consider making the information available in their printed documents such as pamphlets or brochures.

1. A short plain description of IMR services
2. A prominent notification that using IMR services may be significantly more expensive than using domestic mobile services
3. IMR charges may apply to the following activities undertaken on a mobile phone while travelling overseas:
 - making and receiving calls
 - receiving and retrieving voicemail messages
 - sending and receiving SMS messages and multi-media messages
 - using mobile data services, including but not limited to browsing the internet, sending and receiving emails

It is good practice for home operators to emphasize differences in charging structure between IMR services and domestic mobile services.

4. IMR charges may not be included in the regular service plan/contract of domestic mobile services
5. What customers need to do so that they can use IMR services
6. What customers need to do so that they can deactivate part or all of the IMR services
7. A hyperlink to the webpage or a customer service hotline from which customers can obtain detailed information about IMR charges (also applicable for printed documents)

Part B: Up-to-date information about IMR services

The following information about IMR services is likely to change over time. This information is better suited to be made available through home operators' websites and customer service hotlines, where it can be kept up-to-date more easily.

1. A list of countries where IMR service is available
2. A list indicating the choices of visited networks in each country where IMR service is available
3. For each country where IMR service is available or for each charging zone for IMR service, a detailed list of relevant charges for IMR service which may include:
 - a) For Voice Calls (*breakdown of charges into initial charge / flag fall and per-minute rate should be provided if applicable*)
 - i. making local voice calls within the visited country;
 - ii. making voice calls back to the customer's home country; and
 - iii. receiving voice calls within the visited country
 - b) For SMS Messages (*charges may be on per-message basis or based on a bundle of messages*)
 - i. sending local SMS messages within the visited country;
 - ii. sending SMS messages back to the customer's home country; and
 - iii. receiving SMS messages within the visited country
 - c) For Multi-Media Messages (*charges may be on per-message or per-MB basis, or based on a bundle of messages or data volume*)
 - i. sending local multi-media messages within the visited country;

- ii. sending multi-media messages back to the customer's home country; and
 - iii. receiving multi-media messages within the visited country
- d) For Mobile Data Services within the visited country (*charges may be on per-MB basis or based on a bundle of data volume*)
- e) Other charges (*breakdown of charges into initial charge / flag fall and per-minute rate should be provided if applicable*)
 - i. receiving and retrieving voicemail messages; and
 - ii. making calls to the customer service hotline of the home operator (short code / phone number to be called should be provided to customers)
4. An indication of the likely time lag between the use of IMR services and IMR charges appearing on a post-paid customer's phone bill

Part C: Information for customers on arrival in a visited country

Once a home operator is aware that a customer is roaming outside the home country, it should send an SMS or other message to the customer concerned, containing the following information:

1. Notification to the customer that he/she is using IMR service and IMR charges apply;
2. IMR charges for making calls within the visited country, making calls back to the customer's home country and receiving calls within the visited country; and
3. How the customer can obtain further information about IMR charges.

The home operator may offer its customers the option to opt out from the aforementioned notification messaging service. The home operator should allow those customers, who have previously chosen to opt out, to reactivate such notification messaging service at anytime without incurring any cost by giving a reasonable notice period to the home operator.

Recommended Measures to Address Mobile Bill Shock

Minimum measures to be implemented by home operators

- Allowing both post-paid and pre-paid customers to opt out of individual services including while roaming
- Allowing post-paid customers to set a charge ceiling (i.e. a maximum charge which will apply to the use of services over a specific period)
- Sending notifications to post-paid customers when their pre-determined charge ceiling is reached or approached

Further measures to be implemented by home operators as best practices

- Allowing post-paid customers to set usage ceiling for usage-based services (e.g. data roaming services)
- Sending notifications to post-paid customers when their pre-determined usage ceiling is reached or approached
- Offering flat-rate plans for data roaming services
- Offering free of charge functionalities or applications which allow customers to obtain up-to-date information on their roaming usage

Recommendations on Roaming Substitutes

APT members are recommended to conduct assessments in relation to the feasibility of introducing various types of roaming substitutes in their economies as a way to indirectly address the issue of high IMR prices.

Recommendations for regulators:

- Assessing whether there are any regulatory or market barriers which may hinder the introduction of various types of roaming substitutes in their economies, and if yes, the feasibility of removing such regulatory or market barriers
- Educating consumers about the availability of various types of roaming substitutes, and providing information about the advantages and limitations as well as the method of use of each type of substitute

Recommendations for operators:

- Exploring the commercial viability of offering various types of substitutes

Recommendations on Bilateral or Multilateral Arrangements on IMR

When (i) measures to enhance transparency; (ii) measures to address mobile bill shock; (iii) measures to remove any regulatory and market barriers which may cause high input costs of IMR; and (iv) measures to remove any regulatory and market barriers which may hinder the introduction of various types of roaming substitutes, have been put in place and the issue of high IMR prices still remains a concern, APT member economies are recommended to explore the feasibility and appropriateness of bilateral or multilateral arrangements to address the issue of high IMR prices.

In identifying any specific routes that warrant bilateral or multilateral arrangement, the authorities concerned are recommended to conduct detailed analysis of pricing as well as level of competition on a consistent basis across potential routes, and focus on routes where competition has not yet developed and may not be likely to arise in future.

The authorities concerned are recommended to consult all relevant stakeholders and seek mutual understanding from mobile operators in their economies when commencing bilateral or multilateral discussion on IMR with another economy.

The authorities concerned are recommended to gather detailed pricing and market data from the industry, and conduct quantitative impact assessments on consumers and the industry when deciding bilateral or multilateral arrangements. The assessments should analyse the impacts of different forms of regulation (i.e. regulation of wholesale prices only, regulation of retail prices only, or regulation of both wholesale and retail prices).

Implementation of the Code of Practice in Relation to Billing Information and Payment Collection

Telecommunications Regulatory Affairs Advisory Committee
10 July 2012

Background

- Members were briefed on the proposal of the CoP at the 8th meeting of the RAAC in April 2011
- Industry consultation in May – June 2011
- Having considered the views and comments of the respondents, the CA issued the CoP in October 2011.
- The CA considers that all local fixed and mobile network operators should take a lead in complying with the CoP.
- The CA will confirm separately with individual operators about their compliance status within six months.

Requirements of the CoP

- Provision of Itemised Billing Information
 - Itemised details shall be provided within seven to 14 working days from the request of a customer, for bills within the last three months from the date of the request.
 - A reasonable charge may be levied for provision of the information. No charge will be levied if there is inaccuracy or error of the billing information or billing system.
- Incident Reporting
 - Service providers should take all reasonable and practical steps to ensure their billing information is accurate and error-free, as well as accurate payment collection from their customers.
 - In the event of any incident involving systematic errors in the billing information or payment collection, the concerned service provider should timely report the incident to OFCA.

Compliance Status

- Seven local fixed and five mobile network operators have pledged compliance with the CoP, for implementation with effect from July 2012.

Fixed Network Operators	Mobile Network Operators
Hong Kong Broadband Network	China Mobile Hong Kong
Hong Kong Cable Television	CSL
Hong Kong Telecommunications (HKT)	Hong Kong Telecommunications (HKT)
Hutchison Global Communications	Hutchison Telephone
New World Telecommunications	SmarTone Mobile Communications
Towngas Telecommunications Fixed Network	
Wharf T&T	

Next Steps

- A [consumer alert](#) including the compliance status has been posted on our website for information to members of the public.
- We would continue to encourage other telecommunications service provider/operators to pledge compliance with the CoP.
- We would monitor the effectiveness of the CoP and provide updates periodically.

Thank you