

Telecommunications Regulatory Affairs Advisory Committee

Minutes of the Sixth Meeting Held on Friday, 16 May 2014 at 2:30 p.m. in OFCA Conference Room, 20/F Wu Chung House

Present

Mr Danny Lau	Office of the Communications Authority (OFCA) (Chairman)
Mr Chaucer Leung	OFCA (Secretary)
Ms Agnes Tan	Wharf T&T Limited (Wharf T&T)
Mr Raymond Chan	Hong Kong Cable Television Limited
Mr WH Tang	PCCW-HKT Telephone Limited, Hong Kong Telecommunications (HKT) Limited and Genius Brand Limited
Dr Victor Hung	Consumer Council
Mr Robert Szeto	Hong Kong Police Force
Mr Alan Choi	SmarTone Communications Limited and SmarTone Mobile Communications Limited (SmarTone)
Mr Vincent Lam	The Institution of Engineering and Technology Hong Kong
Mr William Brown	Hutchison Global Communications Limited and Hutchison Telephone Company Limited
Mr York Mok	Ad personam
Mr Kenneth Kwok	ComNet Telecom (HK) Limited
Mr Allen Law	Services-based operators (SBOs) as a group
Ms Eva Chan	Ad personam
Prof Xu Yan	Ad personam
Dr Andrew Simpson	Ad personam
Mr Eric Yeung	Small and Medium Enterprises
Ms Christine Lee	Mobile virtual network operators (MVNOs) as a group
Mr Stephen Chan	External telecommunications services (ETS) providers as a group

Mr YH Chan	External fixed operators as a group
Mr Andrew Hung	HKC Network Limited
Ir Andy Lam	The Hong Kong Institution of Engineers
Mr Alex Cheng	China Mobile Hong Kong Company Limited
Mr Charles Yeung	Hong Kong Broadband Network Limited
Mr Gilbert Chan	Communications Association of Hong Kong
Mr Richard Leung	New World Telecommunications Limited

In Attendance

Mr Malcolm Leong	Wharf T&T
Mr T L Or	SmarTone
Mr T Y Chan	OFCA
Mr Esmond Chiu	OFCA
Mr W K Luk	OFCA
Mr Sidney Tsan	OFCA
Mr Raymond Ho	OFCA
Mr Eric Yung	OFCA
Mr Allen Tin	OFCA
Mr Michael Chan	OFCA
Ms Pancy Cheng	OFCA

Absent with Apologies

Hon Charles Mok	Hong Kong Information Technology Federation
Mr Richard Mallett	Hong Kong Telecommunications Users Group
Mr Cheung To	Hong Kong Wireless Technology Industry Association
Ms Alison Ko	CSL Limited (CSL)
Mr Raymond Wong	Paging operators as a group
Ms Christy Ditchburn	Telstra International HK Limited and Telstra International Limited

Mr Clifford Ho	Towngas Telecommunications Fixed Network Limited
Mr Kenneth Lau	TraxComm Limited
Ms Fannie Cheung	Ad personam

The Chairman welcomed Members to the sixth meeting of the TRAAC.

Item 1 Confirmation of Minutes of Last Meeting

2. The Chairman advised that the draft meeting minutes of the fifth TRAAC meeting were circulated to Members for comment on 22 January 2014. As there was no comment received from Members, the minutes of the fifth meeting held on 29 November 2013 were confirmed without amendment.

Item 2 Matters Arising

Item 6 of the Minutes of the Second TRAAC Meeting - Restriction of Certain Mobile Terminals in respect of LTE Networks

3. The Chairman updated Members that subsequent to the last TRAAC meeting on 29 November 2013, the Appeal Board had conducted a hearing and handed down its decision. Members may refer to the website of Commerce and Economic Development Bureau for details about the decision of the Appeal Board.¹

¹ The decision of the Appeal Board dated 16 April 2014 is available at http://www.cedb.gov.hk/ctb/eng/telecom/doc/case_31f.pdf

For further details about the appeal case, please refer to <http://www.cedb.gov.hk/ctb/eng/telecom/case31.htm>

Item 3 of the Minutes of the 5th TRAAC Meeting - Arrangements for the Frequency Spectrum in the 1.9 - 2.2 GHz Band upon Expiry of the Existing Frequency Assignments for the Provision of 3G Mobile Services and the Spectrum Utilisation Fee

4. The Chairman updated Members that the Communications Authority (CA) had made a decision in giving consent, with conditions imposed, to HKT Limited's proposed acquisition of CSL New World Mobility Limited and HKT Limited had announced the completion of the acquisition two days ago (i.e. 14 May 2014). The Chairman explained that the conditions were imposed by the CA to eliminate or avoid the effect of substantially lessening competition in the telecommunications market. In accordance with the CA's decision requiring Hong Kong Telecommunications (HKT) Limited and CSL to divest part of their 3G spectrum holding, the necessary amendments to the legislation were under way to enable the auction to proceed in this year.

5. The Secretary, Mr Chaucer Leung updated Members that the amendment regulation was prepared and would be tabled to the Legislative Council (LegCo) on next Wednesday (i.e. 21 May 2014) for negative vetting. It was expected that the amendment regulation would come into operation in July 2014. The right of first refusal would then be offered to incumbents in the same month and Information Memorandum for the auction, which was expected to be held in end 2014, would be published around end August 2014.

Progress of the Next Generation Network Working Group (NGN WG)

6. At the invitation of the Chairman, Mr Chaucer Leung updated that after the last TRAAC meeting, the NGN WG had convened two meetings in December 2013 and April 2014. The meetings, among other regular items, focused on revising relevant indicators to reflect the NGN development status.

7. Concerning the subgroup on NGN interconnection architecture, Mr Leung updated that two meetings had also been held after the last TRAAC meeting. The subgroup had been arranging for interconnection

trials among three pairs of fixed/mobile network operators and revising the interconnection test plan. Both the NGN WG and the subgroup would continue to work on the relevant NGN issues.

Item 3 Deployment of Small Cells in Hong Kong (TRAAC Paper No. 1/2014 - Presentation Slides)

8. At the invitation of the Chairman, Mr Sidney Tsan gave a presentation on the development of small cell deployment in Hong Kong and other economies and OFCA's facilitating measures on small cell deployment.² The Chairman pointed out that, before the availability of digital dividend, there would not be any supply in radio spectrum for mobile data services according to the latest Spectrum Release Plan published by the CA. In addition to the deployment of 4G spectrum by operators, OFCA would facilitate the deployment of small cells by operators as one of the important means to increase the mobile network capacity to meet the high demand for mobile data in coming years.

9. Mr William Brown asked for an update on the timing of analogue switch off. The Chairman mentioned that according to the latest update by the Government some time in 2013, the target date of analogue switch off would be end 2015. He understood that the Government was reviewing this target date of analogue switch off.

10. In response to Ms Agnes Tan's enquiry on OFCA's position in the installation of small cells in payphone kiosks, the Chairman said that if payphone kiosks were found to be suitable locations for deployment of small cells, OFCA would facilitate the use of payphone kiosks by interested operators on a fair basis. As regards Ms Tan's query on the number of small cells that an operator could install in one kiosk, the Chairman said that in general, a kiosk might accommodate more than one small cells. Trials and tests should also be conducted to ascertain issues including technical feasibility, radiation hazards levels, usefulness and commercial viability. Co-ordination with other government departments such as the Lands Department would be required. On the other hand,

² The presentation slides are available at http://www.ofca.gov.hk/filemanager/ofca/en/content_757/traac1_2014_p.pdf

the use of bus stop shelters would be subject to commercial negotiation between operators and bus companies.

Item 4 Provision of International Calling Line Identification under the New International Telecommunication Regulations (TRAAC Paper No. 2/2014)

11. Mr Eric Yung gave a presentation on the new Article 3.6 of International Telecommunication Regulations (ITRs) (Article 3.6) concerning the provision of international Calling Line Identification (CLI) and OFCA's proposal to update the "Code of Practice in relation to Calling Line Identification and Other Calling Line Identification Related Services" (the Code) for compliance with the ITRs.³

12. The Chairman pointed out that the issue was tabled for discussion with Members last year, informing Members about the revision of the ITRs which would take effect on 1 January 2015.⁴ During this period, OFCA undertook a study to work out measures to ensure compliance with Article 3.6 and tabled the proposal for the discussion with Members again. Taking into account the views from Members and any possible influences to the general public, OFCA would consult with the industry as necessary before implementation of the proposed revision to the Code.

Requirement to inform customers if international CLI would not be provided

13. Ms Agnes Tan noted that "*If CLI information is not provided, the customers should be well informed*" was not a requirement under Article 3.6. She commented that such a requirement would not be needed as she doubted very much if consumers were concerned about the provision of their calling numbers to the called parties outside Hong

³ The presentation slides are available at http://www.ofca.gov.hk/filemanager/ofca/en/content_757/traac2_2014_p.pdf

⁴ Please refer to item 4 of the minutes of the third TRAAC meeting - The New International Telecommunication Regulations and the Implications to the Telecommunications Regulatory Regimes in Hong Kong, available at http://www.ofca.gov.hk/filemanager/ofca/en/content_756/traac_min03.pdf

Kong.

14. Mr York Mok also suggested removing the requirement as it was unnecessary and practically difficult for ETS providers to implement since international CLI might not be conveyed to the called party due to various technical issues. Mr Alan Choi expressed concern that it might create confusion because an ETS provider might not be able to control the conveyance of international CLI beyond its network.

15. In response, the Chairman agreed to the views of Members and would remove the sentence in consulting the industry on the matter after the meeting.

Requirement to cover calls originated from Hong Kong and calls terminated to Hong Kong

16. Ms Agnes Tan noted that the proposed revision of the Code would regulate calls originated from Hong Kong only. She opined that the requirement should also cover the provision of international CLI for calls terminated to Hong Kong (Incoming International Calls). She said that international CLI was sometimes not conveyed to the terminating network operator due to various reasons, including that the international CLI was not transmitted from the overseas operator, or it was not passed on by external and local carriers in Hong Kong.

17. Mr TL Or also queried why Incoming International Calls were not covered in the proposed revision of the Code, given that 90% of these calls from major economies carried international CLI. He suggested that the Code should be revised to encourage conveyance of international CLI for Incoming International Calls by external and local network operators.

18. In response, the Chairman and Mr Chaucer Leung clarified that since a member state could only regulate players within its jurisdiction, the current context of Article 3.6 was on the provision of international CLI for calls originated from the member state. As a matter of fact, mandating overseas operators to transmit international CLI to Hong Kong would be out of the jurisdiction of the CA. On the other hand, other

member states would endeavour to provide international CLI for calls originated from their countries under the requirement of Article 3.6. As regards the suggestion to require network operators in Hong Kong to convey international CLI for Incoming International Calls, the Chairman welcomed further suggestion from the industry when OFCA consulted the industry on the matter.

19. Mr WK Luk supplemented that at present, international CLI for Incoming International Calls had to be labelled according to HKCA 3101 for the settlement of local access charge (LAC). Furthermore, due to limitations in the network capability, some operators' networks were unable to pass on the international CLI with full digit length to the end users. Nevertheless, he pointed out that if ETS operators wanted to provide international CLI to the customers, they might commercially arrange with other operators to transmit the international CLI via dedicated routes.

20. Mr TL Or further asked if OFCA had taken into account other requirements under HKCA 3101 when devising the proposed revision to the Code. For instance, under HKCA 3101, mobile operators were required to set a specific CLI for inbound roamers and ETS operators were required to insert its identity before routing an international call through a local network operator to overseas destinations. As a result, the CLI of the calling party might not be transmitted.

21. Mr WK Luk clarified that, outgoing international calls routed through the PSTN to overseas destinations had to be labelled according to the requirements set out in HKCA 3101 for settlement of LAC and international CLI of these calls should endeavour to be provisioned. If ETS operators wanted to provide services with guaranteed conveyance of caller number to the overseas operator, they might similarly arrange with other operators to transmit the caller number via dedicated routes.

Operators and ETS Providers shall endeavour to ensure the provision of international CLI

22. Mr Victor Hung opined that Hong Kong should take the lead to mandate the provision of international CLI rather than adopting a

wait-and-see approach.

23. In response, the Chairman and Mr WK Luk explained that the proposed arrangement was in full compliance with Article 3.6, which required member states to endeavour to ensure the provision of international CLI. In devising the revision to the Code, a number of considerations had also been taken into account. For instance, it was envisaged that there would be an increase in time and cost for the industry to provide guaranteed international CLI, and the increased cost might ultimately be passed on to consumers. Furthermore, OFCA did not observe mandatory provision of international CLI by other advanced economies other than Singapore and Europe. Mr T Y Chan supplemented that the telecommunications market in Hong Kong had been liberalised and there were many ETS operators in the market. In a highly competitive market, whether to provide ETS with international CLI should be the commercial decision of ETS operators and driven by market demands. In view of the effective date of Article 3.6 and taking into account these considerations, OFCA proposed to transplant the relevant requirement to the Code for compliance with the ITRs at this stage, while would continue to keep in view the manner other advanced economies implement Article 3.6 and review if more stringent requirement, such as mandating provision of international CLI, should be adopted at a later time.

24. Mr Victor Hung further queried if there would be any benchmark against which Hong Kong would consider mandating the provision of international CLI, such as a certain number of countries that implemented a relevant mandatory requirement. It would be easier for consumers to understand the Government's position and encourage other countries to implement the requirement. As other Members did not have further views regarding the number of countries as a benchmark, the Chairman said that OFCA would keep in view the development of other advanced economies on the matter.

25. Prof Xu Yan added that the availability of caller number display constituted a quality telecommunications service. As Hong Kong's telecommunications policy was usually taken as an international best practice, he opined that the provision of international CLI should be

mandated and bilateral agreements could be reached with key destinations such as the Mainland to ensure bilateral conveyance of international CLI.

26. Mr William Brown queried how the mandatory provision of international CLI would ultimately benefit consumers and whether it could be handled through market competition. In response, the Chairman said that it would be difficult to quantify the advantages and disadvantages to consumers at this stage. That said, consumers might find it useful to avoid junk calls when travelling overseas. He agreed that since there were ample choices of international voice services in the market, competition might be an effective means to encourage the provision of international CLI by operators to meet consumer demands.

27. In response to Mr Stephen Chan's query, Mr WK Luk confirmed that customers would still have an option not to display their caller numbers when making international calls. In addition, Mr Chan doubted if international CLI would combat malicious calls effectively, as the caller identities were still unknown if pre-paid SIM cards were used. In this connection, he queried whether a registration requirement for purchasing pre-paid SIM cards would be implemented in Hong Kong. The Chairman shared that the international CLI could provide clues for investigation on malicious calls, and the Mainland had discussed with OFCA in an informal occasion about the possibility of sending international CLI bilaterally to facilitate enforcement. As regards the registration requirement for purchasing pre-paid SIM cards like other countries, there was no plan of implementation in Hong Kong.

28. In closing, the Chairman said that taking into account the views from Members, OFCA would consider conducting a consultation with the industry before effecting the proposed changes to the Code.

Item 5 The Development and Regulatory Issues of Broadcast-type Mobile Television Service (Mobile TV Service) (TRAAC Paper No. 3/2014 - Presentation Slides)

29. At the invitation of the Chairman, Mr Raymond Ho gave a

presentation on the development and regulatory issues of Mobile TV Service in Hong Kong.⁵ The Chairman said that OFCA would like to take this opportunity to explain to Members the regulatory regimes and factual information related to Mobile TV Service, which had attracted public attention recently.

30. Dr Andrew Simpsons referred to slide 12 of the presentation slides and queried about the reason for making reference to sections 8(1)(aa) and 8(1A) of the Telecommunications Ordinance (TO). In response, the Chairman explained that television signals of the domestic free television broadcasters had wide coverage over the territory of Hong Kong, leading to possible reception of those signals by portable devices. Consequently, there had been misunderstanding and complaints that the domestic free television broadcasters were offering Mobile TV Services without a proper telecommunications licence. The Chairman pointed out, with reference to sections 8(1)(aa) and 8(1A) of the TO, that the mere possibility of television signals of a domestic free television programme service licensee being received by portable devices did not amount to offering by the licensees, in the course of business, Mobile TV Services for the purposes of the TO.

31. Ms Agnes Tan asked if CMMB was the transmission standard originally proposed by China Mobile Hong Kong Corporation Limited (CMHKCL) in its bidding application, so CMHKCL was subsequently required to adopt this standard for the provision of Mobile TV Service. In response, the Chairman clarified that the transmission standard proposed by the interested bidders in its bidding application was not binding. Successful bidders might select other transmission standard after it acquired the spectrum. However, before any base station could be installed, CMHKCL, same as other licensed mobile network operators, had to submit its base stations information, including the transmission standard and other technical parameters to be adopted, to OFCA for approval. Mr Chaucer Leung clarified that the approval of adopting CMMB standard had been given in response to the proposal of CMHKCL after the issue of the licence. OFCA had never approved the adoption of any technical standard during the spectrum auction stage.

⁵ The presentation slides are available at http://www.ofca.gov.hk/filemanager/ofca/en/content_757/traac3_2014_p.pdf

32. In response to Ms Tan's query about the DTMB standard adopted by the domestic free television broadcasters, the Chairman explained that the DTMB standard had been approved by the former Telecommunications Authority, after conducting a trial and taking into account its compatibility with Hong Kong's environment as well as the feasibility to migrate from analogue to digital.

33. Prof Xu Yan opined that in the era of convergence, the Broadcasting Ordinance (BO) should be reviewed and updated to keep abreast with the market development. He added that some countries had already started reviewing their telecommunications and broadcasting policies. In response, the Chairman said that the policy bureau had recently expressed at a LegCo meeting that they already planned to undergo a review on both the BO and the TO. In response to Ms Tan's query on the status of the two new domestic free television programme service licences, the Chairman updated that the CA was processing the matter.

Item 6 Any Other Business

34. As this was the last TRAAC meeting in the current term, the Chairman expressed gratitude to all Members for their participation and contributions in this Committee. He informed that OFCA would host a thank you lunch for Members on 27 June 2014.

35. There being no other business, the meeting was adjourned at 4:45 pm.

**Office of the Communications Authority
June 2014**