

Telecommunications Regulatory Affairs Advisory Committee

**Minutes of the Twenty-Third Meeting
Held on Friday, 8 July 2022 at 2:30 p.m.
in OFCA Conference Room, 20/F Wu Chung House**

Members Present

In Person

Mr Sanda Cheuk	Office of the Communications Authority ("OFCA") ("Chairman")
Miss Elaine Hui	OFCA ("Secretary")
Mr Kevin Chu	Hong Kong Telecommunications (HKT) Limited / PCCW-HKT Telephone Limited and Hong Kong Telecommunications (HKT) Limited / PCCW Global (HK) Limited ("HKT")

Web Conference Access

Mr Michael Kan	Consumer Council
Mr Ben Li	The Institution of Engineering and Technology Hong Kong ("IETHK")
Mr Francis Fong	Hong Kong Information Technology Federation
Ms Karen Mo	China Mobile Hong Kong Company Limited
Mr Karson Ng	China Telecom Global Limited
Ms Sarah Zhang	China Unicom (Hong Kong) Operations Limited
Miss Katherine Kwok	HGC Global Communications Limited
Mr Y C Pun	HKC Network Limited
Ms Juliana Wong	Hutchison Telephone Company Limited / Genius Brand Limited
Mr Patrick Ng	NTT Com Asia Limited ("NTT")

Mr T L Or	SmarTone Mobile Communications Limited / SmarTone Communications Limited ("SmarTone")
Dr Justin Chuang	Ad personam
Ms Katy Lau	Ad personam
Dr Patrick Tsie	Ad personam

In Attendance

In Person

Mr Desmond Young	OFCA
Mr Sidney Tsan	OFCA
Mr Benson Cheng	OFCA
Mr Dennis Leung	OFCA
Mr Jordan Lee	OFCA
Ms Vera Chung	OFCA
Ms Cherry Yu	OFCA
Ms Stacy Lam	OFCA
Ms Jacqueline Tse	OFCA
Ms Winnie Ng	OFCA
Mr Eric Lam	OFCA
Mr Ansel Yuen	OFCA
Mr Ken Cheung	OFCA
Ms Karen Kwan	OFCA
Ms Eilly Ngan	OFCA
Ms Sophia Yap	Hong Kong Broadband Network Limited / HKBN Enterprise Solutions Limited / HKBN Enterprise Solutions HK Limited ("HKBN")
Mr Malcolm Leong	HKBN
Mr Kenneth Kwok	ComNet Telecom (HK) Limited
Ms Abbie Lo	Mobile Virtual Network Operators ("MVNO") as a group
Ms Irene Lau	Localised wireless broadband service / public

	radiocommunications service / wireless Internet of things (“LWBS/PRS/WIoT”) licensees as a group
Mr Tony Lam	External telecommunications service (“ETS”) operators as a group

Web Conference Access

Ir Alan Chan	The Hong Kong Institution of Engineers (“HKIE”)
Mr Bruce Chan	IETHK
Mr Larry Lee	Hong Kong Cable Television Limited
Mr Eric Lee	SmarTone
Ms Ariel Chung	Towngas Telecommunications Fixed Network Limited (“Towngas”)
Mr Haining Hu	Vodafone Enterprise Hong Kong Limited
Miss Y L Tsoi	Services-based operators as a group
Mr K H Yip	LWBS/PRS/WIoT licensees as a group
Mr C W Tang	Hong Kong Police Force (“HKPF”)

Members Absent with Apologies

Ms Vivien Lau	Consumer Council
Ir Wilson Kwok	HKIE
Ms Karen Hsu	VNET Group Limited
Ms Mabel Ng	HGC Global Communications Limited
Mr K K Luk	HKC Network Limited
Mr Raymond Chan	Hong Kong Cable Television Limited
Mr Gilbert Choy	HKT
Mr Donald Chan	NTT
Mr H W Ngan	Towngas
Mr Kenneth Lau	TraxComm Limited
Mr Charles Yip	Village Telephone Limited
Ms Shelley Ng	Village Telephone Limited

Mr K L Choi	ETS operators as a group
Mr W Y Fan	ETS operators as a group
Mr Henry Wang	LWBS/PRS/WIoT licensees as a group
Mr Y T Kan	HKPF

The Chairman introduced six new attendees, viz. Ms Karen Mo, Ms Sophia Yap, Mr Tony Lam, Ms Irene Lau, Ms Ariel Chung and Mr Michael Kan, and welcomed all Members for joining this meeting either in person or via web conference access.

Item 1 Confirmation of Minutes of Last Meeting

2. The Chairman said that the draft minutes of the 22nd meeting had been circulated to Members for comments on 15 December 2021. As no comment had been received, the minutes of the 22nd meeting were confirmed without amendment.

Item 2 Matters Arising

3. The Secretary reported that after taking into account Members' views and comments on the proposed incorporation of three new standard special conditions ("SCs") into the sample Unified Carrier Licence ("UCL") presented at the last TRAAC meeting, OFCA sought the Communications Authority ("CA")'s approval to incorporate the proposed SCs as standard SCs into the UCL for the provision of public telecommunications services in general. Updated sample UCL and *Guidelines for Submission of Applications for UCL* were published on CA's website in December 2021.

4. The Secretary also reported that the revised *Guidance Notes for Submission of Applications under the Pilot Scheme for Installation of Radio Base Stations at Selected Government Venues* were published on CA's website in January 2022 and an information note was issued to the mobile network operators in May 2022 to provide them with guidance on the best practice for installation of radio base stations to adopt or consider

in local environment.

**Item 3 Proposal to Streamline the Reporting Requirements for
Regulatory Accounting (TRAAC Paper No. 1/2022)**

5. Ms Cherry Yu briefed Members on the proposal to streamline the reporting requirements for regulatory accounting specified by the CA for unified carrier licensees.

6. The Chairman supplemented that only those unified carrier licensees directed by the CA (“Reporting Parties”) were required to submit reports in accordance with the Accounting Manual (“AM”). The CA would review the regulatory accounting practices from time to time and streamline the practices having regard to market development wherever appropriate. OFCA’s proposal had taken into account the feedback received from the industry from time to time and during the last review of the Telecommunications Ordinance conducted by the Government in end 2018. OFCA considered that the proposed arrangements would reduce the compliance cost of the Reporting Parties.

7. Mr Kevin Chu enquired whether the removal of the Statement of Network Turnover in the reporting requirements implied that the calculation of Spectrum Utilization Fee (“SUF”) for future spectrum assignment would not be based on network turnover. He also pointed out that there was an ongoing debate with the Inland Revenue Department on whether SUF paid by a one-off upfront lump sum was tax deductible and hence expressed concern that the removal of the Statement of Network Turnover from the reports would make it more difficult for operators to obtain tax deductions for their SUF payments in future.

8. The Chairman replied that as the previous spectrum assignments with SUF calculated based on network turnover had expired, the collection of information on network turnover for determination of SUF was no longer necessary. Hence, the requirement to submit the Statement of Network Turnover could be removed. He pointed out that if the Government decided in future to collect SUF based on network turnover, the AM might need to be revised accordingly. With respect to

the taxation issue, it was under the purview of the Inland Revenue Department and outside the ambit of the CA.

9. Mr Malcolm Leong asked whether OFCA had looked into the international accounting practices and followed the best practices in overseas economies. Ms Cherry Yu explained that CA needed the financial information submitted pursuant to the AM to perform its various regulatory functions and to monitor the performance of licensees. The Secretary added that with a view to reducing the compliance cost of the licensees, OFCA had looked into the necessity to require operators to provide certain accounting reports and proposed to remove the requirements to submit unaudited semi-annual reports and the Statement of Network Turnover. On the other hand, the CA, as the regulator, had to monitor market development and would therefore need to maintain the reporting requirements for the core regulatory reports to have a grasp of how the telecommunications market was developing.

10. The Chairman invited Members to provide written comments on the proposal, if any, within two weeks. Taking into account Members' views and comments, OFCA would prepare the revised draft AM for consideration by the Reporting Parties before finalising the streamlined reporting requirements.

Item 4 Revision to the Code of Practice relating to the Use of Numbers and Codes in the Hong Kong Numbering Plan (TRAAC Paper No. 2/2022)

11. Mr Dennis Leung briefed Members on the proposed revision to the *Code of Practice relating to the Use of Numbers and Codes in the Hong Kong Numbering Plan* ("CoP").

12. The Chairman explained that the CA, as the ultimate manager of telecommunications number resources in Hong Kong, would allocate blocks of fixed or mobile numbers to licensed operators ("Allocatees") for them to assign the numbers to end customers. Over the years, apart from directly assigning the allocated numbers to end customers (referred to as "Individual Assignment to End Customers" in the TRAAC paper),

there had been wholesale assignment arrangement (“Wholesale Assignment”) under which the Allocatees would assign portions of the allocated numbers to other licensed service providers in Hong Kong or outside Hong Kong (“Wholesale Assignees”). A major proposal in the paper was to clarify how the numbers assigned through Wholesale Assignment should be managed. Other proposals in the paper included clarification of the housekeeping rule for short codes and means to enable more efficient use of number blocks returned by service providers who had exited the market.

13. In response to the question raised by Ir Alan Chan about the category of the short code “1000” assigned to an operator for hotline service, Mr Dennis Leung replied that the short code belonged to Category 2. Mr Kevin Chu further enquired about the difference between Category 2 and Category 3 short codes. Mr Dennis Leung explained that short codes in Category 2 were allocated to a single operator, while those in Category 3 were universally allocated to all operators and in general would not be passed across networks. The categories of short codes could be found in the *Number Plan for Telecommunications Services in Hong Kong*¹ (“numbering plan”) published on OFCA’s website.

(Post-meeting note: According to the numbering plan, “100X” is a short code in Category 2 and allocated to PCCW-HKT Telephone Limited and Hong Kong Telecommunications (HKT) Limited.)

14. Mr Kevin Chu enquired about the justifications for distinguishing Wholesale Assignment from Individual Assignment to End Customers and collecting detailed information for each of the two arrangements, which would lead to a more complex calculation of the utilisation rates of numbers. Mr Dennis Leung said that the objective of the proposal was to ensure efficient and proper use of the number resources allocated to operators. Further, without information about the status of numbers assigned through Wholesale Assignment to Wholesale Assignees, the utilisation rate could not be calculated accurately.

¹ https://www.ofca.gov.hk/filemanager/ofca/en/content_311/no_plan.pdf

15. Mr Kevin Chu pointed out that they had difficulty in collecting the required detailed information from their Wholesale Assignees and wondered whether utilisation could be calculated based on the total quantity of numbers assigned to End Customers (i.e. a combined total for Individual Assignment to End Customers and Wholesale Assignment to End Customers) without further breakdown.

16. The Chairman explained that because of market developments, there had been new telecommunications services emerging from time to time involving assignment of Hong Kong numbers to not only local customers but also customers outside Hong Kong. OFCA was concerned that there might be an increasing proportion of Hong Kong numbers used by customers outside Hong Kong. For the CA to have adequate information in this regard to discharge its function in relation to management of number resources, Allocatees would be required to keep the information of the status of individual numbers. Besides, with a view to encouraging and promoting efficient use of number resources, Allocatees would also be required to apply the same number utilisation criteria to numbers assigned to end customers directly served by them and those assigned to end customers not directly served by them.

17. Ms Sophia Yap asked if there would be any administrative penalty in case of inaccuracy in the information provided by an Allocatee based on best guess. Mr Dennis Leung replied that Allocatees should be able to obtain the required information through arrangement with the Wholesale Assignees and should use their best efforts to ensure accuracy in the information so obtained. The Chairman supplemented that following finalisation of the revision to the CoP, if there was evidence that a licensed operator did not comply with the requirement in the CoP in a reasonable manner, it would be considered a breach of the licence condition. In the event that operators needed time to discuss with the Wholesale Assignees and/or make enhancements to their internal systems for implementation of the new measures, suitable transition period could be set to provide reasonable lead time for operators to make necessary adjustments.

18. In response to the question raised by Mr Malcolm Leong about the life span of the existing 8-digit numbering plan, Mr Sidney Tsan

replied that according to a review conducted in 2015, the existing 8-digit numbering plan was expected to last for around 10 years until 2028, subject to the actual consumption rate of the 8-digit numbers. One of the reasons for the proposed revision was to ensure efficient use of the 8-digit numbers allocated to operators, and as far as possible avoid the need to migrate to a longer digit numbering plan which would have huge impacts on the community. The Chairman supplemented that the proposal on re-allocation of returned blocks of subscriber numbers containing ported numbers (“Number Blocks with Ported Numbers”), mentioned in paragraphs 10 – 12 of the TRAAC paper, could also serve to enhance efficient use of numbers and extend the life span of 8-digit numbering plan.

19. Mr Kevin Chu was concerned that it might be more costly for operators to use some Number Blocks with Ported Numbers and enquired whether there would be any guidelines on the number blocks that would be considered for re-allocation. Mr Dennis Leung explained that operators allocated with these number blocks had to update the records in the number portability administration database for the ported numbers in the blocks, and the efforts for implementing this task for different number blocks should not vary significantly since it was performed by system. According to the established practice, a successful applicant for numbers would be invited for a balloting session to select the number blocks from a pool in a fair and reasonable manner. After the number blocks had been selected, the applicant would not be allowed to reject the allocation result in order to maintain the fairness of the whole process. The Chairman added that records of the ported numbers in the blocks already existed in the number portability administration database and there should not be significant technical difficulty for updating the records after re-allocation of the blocks.

20. Mr Kevin Chu noted that an operator allocated with a Number Block with Ported Numbers could only use the non-porting numbers in the block and enquired about how to ensure that the operator’s need for numbers could be met. Mr Dennis Leung replied that if after re-allocation of a Number Block with Ported numbers to an operator, the operator’s number utilisation rate was still equal or greater than the threshold for applying additional numbers, the operator might apply for

allocation of additional number blocks.

21. Mr Kevin Chu asked about the meaning of “*licensees launching new services*” in footnote 3 of the TRAAC paper, which according to the proposal would not be allocated with Number Blocks with Ported Numbers. Mr Dennis Leung clarified that they referred to licensed operators who had not been allocated with any fixed/mobile numbers before and applied for fixed/mobile numbers to launch fixed/mobile services.

22. Mr Kevin Chu and Ms Sophia Yap pointed out that given the need to consult their internal teams, they would require additional time to provide comments on the proposal. The Chairman invited Members to provide written comments on the proposal, if any, within two weeks, by 22 July 2022. Taking into account Members’ views and comments, OFCA would finalise the revision to the CoP for CA’s approval.

(Post-meeting note: The deadline for submission of written comments was extended by four weeks to 19 August 2022 in response to the requests from some Members.)

Item 5 Licensing of Mobile Services for Implementation of Real-name Registration Programme for Subscriber Identification Module (SIM) Cards (TRAAC Paper No. 3/2022)

23. Mr Jordan Lee briefed Members on the information paper providing update on the licensing arrangement for mobile services supplied through SIM cards which are subject to the Telecommunications (Registration of SIM Cards) Regulation (Cap. 106AI) (“Regulation”).

24. Members had no comments on the paper.

(Post-meeting note: OFCA issued a circular letter to the relevant licensees on 18 July 2022 informing them of the updated licensing arrangement for mobile services supplied through SIM cards subject to the Regulation.)

Item 6 Any Other Business

25. Mr Kevin Chu suggested that in future, TRAAC papers could be distributed at least three to four business days in advance so that Members could have sufficient time to consider the proposals for discussion at the TRAAC meetings. The Chairman said that OFCA would strive to disseminate the papers to Members as soon as possible before TRAAC meetings. Mr Malcolm Leong commented that without also provided with the agenda of the meeting when the invitation to meeting was received, it would be difficult for Members to arrange relevant staff to attend the meeting. The Secretary replied that it was a usual practice for the TRAAC secretariat to send invitation email to Members first for reserving their time for the meeting and followed by the distribution of the meeting agenda and papers. She supplemented that OFCA would try to disseminate the meeting documents to Members earlier for Members' preparation in advance.

26. Ir Alan Chan said that he would step down from TRAAC after this term and he would like to express his sincere thanks to OFCA and Members to allow him to share views on behalf of HKIE over the past years. The Chairman thanked Ir Alan Chan for his contribution to the work of the TRAAC.

27. As the current term of TRAAC would expire in August 2022, the Chairman thanked all Members for their participation, invaluable advice and support throughout the two-year term, and as a token of gratitude, appreciation letters will be sent to Members. The Chairman advised that the next TRAAC meeting would tentatively be scheduled near the end of 2022. Members of the new term of TRAAC will be informed of the meeting arrangement nearer the time.

28. There being no other business, the meeting was adjourned at 4:00 p.m.

Office of the Communications Authority
July 2022