

Restriction of Certain Mobile Terminals in respect of LTE Networks

Telecommunications Regulatory Affairs Advisory Committee
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Agenda

- 1. The issue**
- 2. Invitation of views and comments**

The Issue

- OFCA has recently received enquiries regarding Apple's products iPhone 5 and iPad (iPad with Retina display and iPad mini) which were introduced into Hong Kong this year in September and November respectively that these two products are restricted to work on certain mobile operators' LTE networks only

Technical verification (1)

- Technically, Apple conducts testing with a particular network to verify its interoperability with iPhone 5 and iPad, and only allows these products to recognize and operate on the verified LTE network
- In Hong Kong, three LTE networks (i.e. CSL, Hutchison and SmarTone) are supported by iPhone 5 while two LTE networks (Hutchison and SmarTone) are supported by iPad

Technical verification (2)

- The programming of SIM cards and network platforms is not relevant to this process
- Apart from Hong Kong, iPhone 5 and iPad also do not support on all LTE networks in other overseas markets (such as Japan, Australia, Germany, United Kingdom, United States and Canada)

Information for consumers

- Apple publishes the details on which LTE networks are supported by iPhone 5 and iPad (in Hong Kong and worldwide)
- This information is available to consumers via Apple's website and is updated to add additional carriers from time to time

Additional supported network

- Apple seems to be rolling out the support of additional LTE networks in Hong Kong
- We note that Apple's website showed only one LTE network (i.e. SmarTone) in Hong Kong was supported by iPhone 5 in October 2012; but the website was updated in November 2012 which shows that three LTE networks (i.e. CSL, Hutchison and SmarTone) are now supported
- At its launch in November, iPad (iPad with Retina display and iPad mini) supports two LTE networks (Hutchison and SmarTone)
- Users can update the supported LTE network list through over-the-air download or Apple's website

Are principles under the “SIM Lock” Statement relevant? (1)

- “SIM Lock” function can electronically lock a particular handset into a certain network
- In Sept 1996, the former OFTA conducted a consultation on whether “SIM Lock” function should be allowed in Hong Kong and, if allowed, the measures to be imposed for safeguarding competition of the mobile market in Hong Kong

Are principles under the “SIM Lock” Statement relevant? (2)

- In the statement on way forward of “SIM Lock” issued in 1997 by the former TA, the following major principles were established:
 - customers must be well informed of the "SIM Lock" arrangement as well as the conditions, procedures and methods of unlocking at the time of purchase of the handset;
 - where the equipment is rented or paid by installments by the customers, operators and dealers will have to advise the customers concerned about the SIM locking arrangement and provide them with the detailed unlocking procedures if they have already paid up the total equipment cost; and
 - if “SIM Lock” is used for the sole purpose of tying customers to networks, it may adversely affect competition in the mobile industry

Consumer complaints

- OFCA has so far received two consumer complaints in respect of the limited LTE networks supported by the Apple products
- When a consumer changes his mobile service provider afterwards, he may find that his phone/tablet does not work in LTE mode with another mobile service provider. This may cause confusion or grievance

Invitation of views and comments

- Members of TRAAC are invited to give their views and comments on
 - The potential effects of Apple's arrangement for its products as well as similar practices in the mobile terminal market from the perspectives of
 - industry
 - mobile manufacturers / traders
 - consumers
 - What suggested role/action of the industry/Govt should take in respect of such practices

Thank you