

**Telecommunications Users and Consumers Advisory Committee (TUCAC)**  
**Minutes of the 1<sup>st</sup> Meeting held at 3:00 p.m.**  
**on 9 July 2012 (Monday) in Conference Room,**  
**Office of the Communications Authority (“OFCA”),**  
**29/F Wu Chung House, Wan Chai**

**Present:**

Mr. Y K HA (Chairman)	Deputy Director-General (Telecommunications), OFCA
Mr. Alfred FUNG	Representative of Consumer Council
Ms. Edith HUI	Representative of Hong Kong General Chamber of Commerce
Mr. Ricky CHONG	Representative of Communications Association of Hong Kong (CAHK)
Ms. Leona WONG	Representative of Hong Kong Wireless Technology Industry Association (HKWTIA)
Mr. Francis FONG	Representative of Hong Kong Information Technology Federation (HKITF)
Mr. H F YUEN	Representative of the disabled
Mr. Eric YEUNG	Representative of small and medium enterprises
Mr. K W MA	Member appointed on an ad personam basis
Mr. Kenny CHIU	Member appointed on an ad personam basis
Ms. Irene LEUNG	Representative of the aged community
Mr. C K WONG	Representative of Office of the Government Chief Information Officer
Mr. Michael LUI	Representative of Education Bureau
Mr. Thomas SUN	Member of the public
Ms. Pauline YUNG	Member of the public
Mr. Francis NGAI	Member of the public
Mr. C B WONG	Member of the public
Ms. Martha LEUNG	Member of the public
Ms. Agnes CHAN	Member of the public
Ms. Eva WONG	Member of the public
Ms. Cindy CHAN	Member of the public
Ms. Jamay WONG (Secretary)	OFCA

**Observer:**

Mr. Ken FONG	Representative of Hong Kong Wireless Technology Industry Association (HKWTIA)
--------------	---

**In attendance:**

Ms. Christine CHIM	OFCA
Mr. Andy LEUNG	OFCA
Mr. Lawrence KWAN	OFCA
Miss Edith YAU	OFCA

**Absent with apologies:**

Mr. Ben YU	Representative of the disabled
------------	--------------------------------

Ms. Florence MAN  
Ms. Elsa CHENG

Member of the public  
Member of the public

## **I. Opening Remarks**

1. The Chairman introduced the newly appointed members and welcomed them to the meeting.

## **II. Introduction to the Communications Authority, the Office of the Communications Authority and their Committees**

2. Ms. Christine CHIM briefed the members on the previous and present institutions for regulating the broadcasting and telecommunications sectors. She elaborated on the functions of the Communications Authority ( “CA” ) and the Office of the Communications Authority ( “OFCA” ), their visions and missions, and their organisation structures. Ms. Christine CHIM then introduced the committees/consultative scheme under CA/OFCA and their relevant terms of reference. Related information is in Annex 1 (TUCAC Paper No. 1/2012).

3. Since no member raised any particular question, the Chairman briefly concluded that in the years of the Office of the Telecommunications Authority, the Director-General of Telecommunications and the Telecommunications Authority referred to the same person. At present, the CA is a committee which consists of twelve persons while the Director-General of Communications is the head of OFCA (serving as the executive arm of CA) as well as the ex-officio member of the CA.

## **III. Introduction to the Fourth Generation (4G) Mobile Services**

4. Mr. Andy LEUNG briefed the members on the 4G mobile services (“4G services”) in Hong Kong, including the development of 4G services, the maximum speeds supported by 4G, terminals and points to note for users. Related information is in Annex 2 (TUCAC Paper No. 2/2012).
5. Mr. Thomas SUN found that the 3G services he had been using all along experienced a substantial reduction in speed after an operator had launched its 4G services. He enquired whether the roll-out of 4G services would affect users of 3G services, such as reduction in the

allocation of resources to 3G networks by operators. Mr. Thomas SUN hoped that operators could establish reference points for speed measurement at different locations and periodically measure their service speeds at reference points for submission of such statistics to OFCA for publication. Consumers might then make reference to the information and select the services of the operators that best suited their needs. In addition, Mr. Thomas SUN said that the fair usage allowance of 5GB was set by operators currently in accordance with the fair usage policy in general, yet 4G services could be offered at faster speeds, and the data usage of consumers would be increased substantially. In this connection, Mr. Thomas SUN suggested that OFCA should work with the industry to review their fair usage allowance to commensurate with the use of 4G services.

6. The Chairman responded that, regarding the publication of broadband service performance, currently mobile service operators had published their performance pledges on their websites and would measure and publish the actual performance statistics on a quarterly basis for consumers' reference. Mr. Lawrence KWAN said that the publication of performance pledges was voluntary in nature, covering aspects related to network reliability, service restoration time and technical performance. In addition, OFCA was also concerned about whether the network capacity of operators was sufficient for use by users of unlimited service plans. In this connection, mobile service operators had been requested to provide OFCA with information on their network capacity since October this year for monitoring purpose.

7. The Chairman continued that in general, 3G and 4G operated on different service platforms, and there were only a few mobile communications devices that could support 4G services at present. Hence, he believed operators would not reduce the resources allocated to 3G services due to the launch of 4G services. OFCA would keep a close eye on the service performance of operators.

8. Mr. Francis FONG said that he had conducted various tests on mobile broadband service speed for newspapers. In fact, mobile broadband service speeds might be affected by different factors, such as the time, place and route for the test, the traffic diversity measures adopted by the websites browsed, the devices used for the test, the number of concurrent users of the service, etc.

9. Ms. Martha LEUNG also indicated that the quality of mobile broadband services of a particular service provider was declining, in particular along the MTR lines.

10. The Chairman explained that the MTR was in bottleneck areas and it was extremely difficult to provide telecommunications services in the MTR in view of the limited places for laying cables and limited time for daily works. In addition, with limited network resources, the concurrent use of mobile broadband services by users in the MTR would also lower service speeds accordingly. OFCA realised that mobile service operators had been active in network upgrade projects in MTR.

11. Mr. Kenny CHIU agreed that the slowdown in mobile broadband service speed was due to an increase in the number of mobile broadband service users. With scarce network resources, there might be network congestion, which was similar to the situation in which the public attempted to call relatives or friends when the Pre-No. 8 Special Announcement was issued by the Hong Kong Observatory but they might not be able to get through.

12. Mr. Francis FONG further drew an analogy between the current situation and traffic jam in tunnels, in that the launch of 4G services would not affect the quality of 3G services because 4G and 3G services were provided in different frequency bands.

13. The Chairman said that OFCA would increase spectrum supply to alleviate the situation. The overwhelming response to spectrum auctions from operators indicated that they were willing to increase their investments. Nevertheless, spectrum was a scarce resource, and so it was anticipated that network congestion would become more serious while operators would continue to implement fair usage policy to ensure that users could have fair access to mobile communications services. On the other hand, users might need to make corresponding action for the use of services, such as storage and transmission of relatively low resolution photos and avoidance of repeated attempts to network connection so as to reduce network usage.

14. Mr. K W MA suggested that OFCA should educate consumers on the circumstances under which it would be necessary to use 4G services, so that consumers would not rush to register for 4G services indiscriminately.

15. Mr. Thomas SUN enquired whether the slowdown in speed was caused by insufficient resources (e.g. fibre optics) for the provision of services or excessive users giving rise to an overload of base stations or capacity, and whether operators, in support of service usage, would install additional base stations due to an increase in the number of users.

16. The Chairman responded that capacity was subject to the number of base stations as well as spectrum, and the existing problem was caused by inadequate wireless interface, which was irrelevant to the availability of resources for the provision of services. Additional spectrum or base stations would be a solution, but as mentioned above, spectrum was a scarce resource, and the installation of additional base stations would be subject to different issues, such as possible complaints from residents living near base stations about radiation. A balance of interests would have to be struck for such issues. The Chairman realised that consumers might experience a speed problem in the use of mobile broadband services, however, the availability of smart phones had given rise to an upsurge of demand for mobile broadband services. In view of intense competition, it was believed that operators would make improvements on such aspects as far as practicable.

[Post-meeting note: The Secretary has contacted Mr. Thomas SUN and Ms. Martha LEUNG to reflect their concerns over the quality of mobile services to the operators concerned.]

17. Mr. Eric YEUNG suggested setting up some test points and published the uploading and downloading speeds of service providers at the test points to increase transparency.

18. The Chairman said that the former OFTA had come up with the same idea for fixed broadband services, but it would be extremely complicated and difficult in making the relevant arrangements and implementation. Hence, this issue required thorough consideration.

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

##### Other Enquiries

19. Mr. Thomas SUN enquired whether the CA had issued any guidelines for service relocation to premises without service coverage.

20. The Chairman explained that, with effect from July 2011, all major fixed and mobile network operators in Hong Kong had implemented the Industry Code of Practice for

Telecommunications Services Contracts (Industry Code) issued in 2010 by the Communications Association of Hong Kong, an industry association. Under the Industry Code, if it was not feasible to provide the service at the relocated premises, the customer shall have the right to choose to terminate the contract, and the termination charges shall only include any benefits and the value of any benefits enjoyed, such as the installation charges waived, the value of any upfront gift that was given to the customers, and discounted monthly fee. Such termination charges shall not include any monthly service charges for the remaining contract period.

21. Mr. C B WONG asked how customers could know fibre coverage in old districts and the monthly fees concerned. Mr. C B WONG noted that the fees for fixed broadband services in old districts without fibre coverage were comparatively more expensive, and he enquired whether the CA had regulated over such matters.

22. The Chairman said that the public might check with their operators for fibre coverage. In addition, they could make enquiries on OFCA's website about the relevant information. If the residents of a particular housing estate would like to obtain the services of a particular operator, they might make a direct request to the operator concerned and make arrangements for reaching an agreement on enhanced network coverage for the provision of services to the residents of the housing estate. In respect of telecommunications service charges, with the full liberalisation of the telecommunications service market in Hong Kong, the CA did not prescribe for the charges and forms of charges of telecommunications service operators. Their service charges were determined in the light of market competition and commercial considerations of the operators.

23. Ms. Eva WONG relayed the problem of mobile phone reception in Tin Shui Wai. She received comments from a great number of friends that only one service operator could offer strong reception in the whole Tin Shui Wai district while there was no coverage by other mobile service operators. She enquired if other operators could not enter the district for service provision.

24. Ms. Martha LEUNG said her mobile service operator could not provide services in Sheung Shui.

25. Mr. Francis FONG said it had been years since there were different degrees of coverage and blind spots in different districts for each operator. Generally speaking, consumers might reflect the situation to the operators directly.

26. The Chairman said that the CA had information on the base stations distributed over Tin Shui Wai and Sheung Shui districts, but such information could not be made available to the public.

[Post-meeting note: The Secretary has contacted Ms. Eva WONG and Ms. Martha LEUNG to follow up with the issue of mobile coverage in Tin Shui Wai and Sheung Shui districts.]

#### Reports on Consumer Complaints

27. The Secretary reported that the CA had received 1 156 and 1 173 cases of consumer complaints in the 4<sup>th</sup> Quarter of 2011 and the 1<sup>st</sup> Quarter of 2012 respectively, representing a substantial drop from the 3<sup>rd</sup> Quarter of 2011. Among these complaints, 1 133 cases (98%) in the 4<sup>th</sup> Quarter of 2011 and 1 148 cases (97.9%) in the 1<sup>st</sup> Quarter of 2012 were outside the CA's jurisdiction. Most of these complaints involved disputes on billing/contracts/service termination, dissatisfaction with customer services and dissatisfaction with the quality of mobile telecommunications/fixed network/broadband services. The remaining 23 cases (2%) in the 4<sup>th</sup> Quarter of 2011 and the remaining 25 cases (2.1%) in the 1<sup>st</sup> Quarter of 2012 were related to the possible breach of the Telecommunications Ordinance or licence conditions, including complaints about access by operators to public areas of buildings for the installation of telecommunications/broadcasting equipment and networks, alleged misleading or deceptive sales conduct and alleged anti-competitive behaviour of a fixed network and Internet service operator for substantial increase in service charges because no other service operators provided services in the same district. In the 4<sup>th</sup> Quarter of 2011, no case in breach of the Telecommunications Ordinance/licence conditions was established. In the 1<sup>st</sup> Quarter of 2012, 1 case in breach of the Telecommunications Ordinance was established. The operator concerned was subject to a fine of HK\$80,000. The relevant investigation report has been published on the CA's website. The latest consumer complaint statistics are at Annex 3.

#### **V. Date of Next Meeting**

28. The Secretary informed the members that the next meeting would be held on 15 November 2012 at the same time and venue.

29. There being no other business, the meeting was adjourned at 5pm.

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

9 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](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](http://www.ofca.gov.hk)

# Functions of OFCA (2)

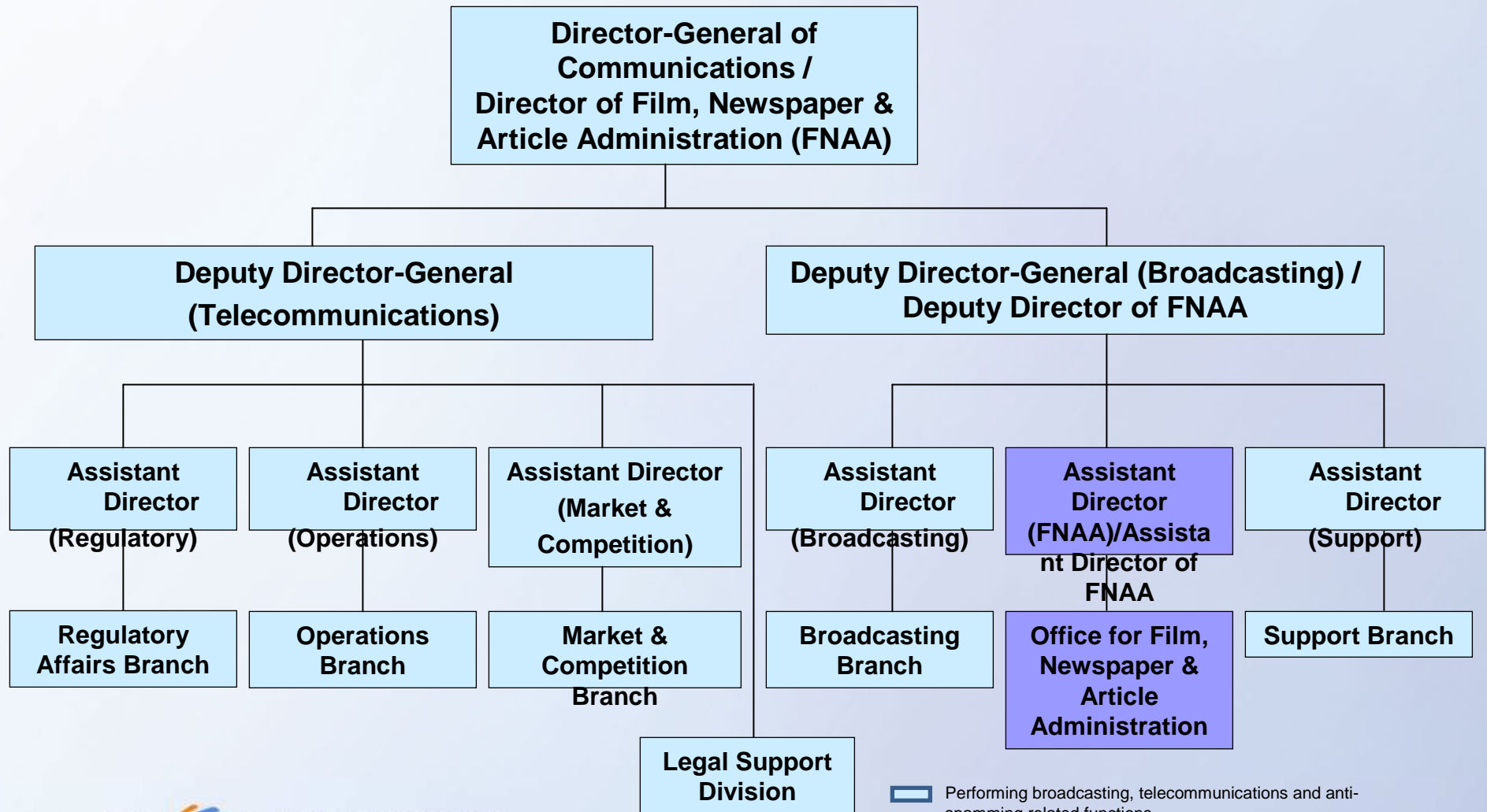
## ► Other functions

- 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](http://www.ofnaa.gov.hk)) separate from OFCA

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

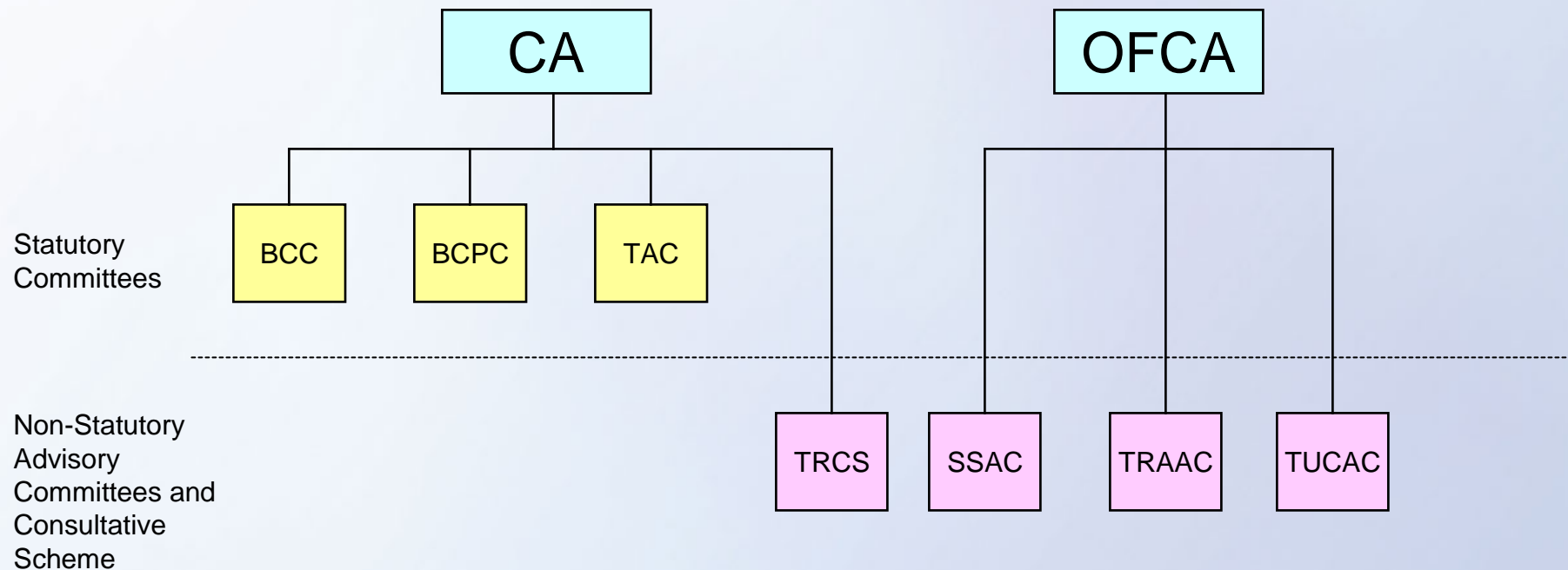
^ The policy bureau is Constitutional and Mainland Affairs Bureau.

# Organisation Structure of OFCA



# ***Part IV: Their Committees (including Term of Reference for TUCAC)***

# Committees/Consultative Scheme under CA/OFCA



BCC - Broadcast Complaints Committee  
BCPC - Broadcast Codes of Practice Committee  
TAC - Telecommunications Affairs Committee  
TRCS - Television and Radio Consultative Scheme  
SSAC - Radio Spectrum and Technical Standards Advisory Committee  
TRAAC - Telecommunications Regulatory Affairs Advisory Committee  
TUCAC - Telecommunications Users and Consumers Advisory Committee

# 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](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](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](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 TUCAC

- ▶ **To advise the DG COM on**
  - the development, provision and maintenance of telecommunication services from the consumer and user perspective to ensure that a high quality of service is provided at reasonable prices and that a choice of a wide range of services and operators is available
  - the education of, and dissemination of information to, consumers and users of telecommunication services so that maximum benefits can be derived

Thank you

## Telecommunications Users and Consumers Advisory Committee (TUCAC)

### An Introduction to the Fourth Generation (4G) Mobile Services

9 July 2012

# Contents

- Development of the fourth generation (4G) mobile communications networks in Hong Kong
- Guidelines to use the term “fourth generation” or “4G”
- Introduction to 4G networks
- 4G terminals
- 4G roaming services
- Local tariffs and points to note



# Development of 4G Networks in Hong Kong

- In the auction of radio spectrum in the 2.5/2.6 GHz band in 2009, each of the three companies bid for 30 MHz of spectrum and built their 4G networks deploying LTE (Long Term Evolution) technology. At present, four operators are using these 4G networks to provide mobile broadband services.
- In February this year, a total of three operators participated in the auction of radio spectrum in the 2.3 GHz band. Each of them successfully bid for 30 MHz of spectrum. It is expected that new wireless broadband services will be provided.
- The Government plans to release 50 MHz of additional spectrum in the 2.5/2.6 GHz band by auction in early 2013.



# Guidelines to Use the Term “Fourth Generation” or “4G”

- The guidelines to use the term “fourth generation” or “4G” were issued to the industry in March 2011 -
- “Fourth Generation (4G)” mobile networks/services and products/equipment involve the following four standards:
  - 3GPP (Third Generation Partnership Project):  
LTE (Long Term Evolution technology),  
LTE-Advanced (enhancement of LTE)
  - IEEE (Institute of Electrical and Electronics Engineers):  
WiMax (Worldwide Interoperability for Microwave Access),  
WirelessMAN-Advanced (enhancement of WiMax)

# Introduction to 4G Networks

- Speeds of downloading mobile data:  
3G networks: support download speeds of up to 42 Mbps and upload speeds of up to 5.76 Mbps.  
4G networks: support download speeds of up to 100 Mbps and upload speeds of up to 50 Mbps.
- In an area without any 4G network coverage, there may be a switch to a 3G or 2G network covering that area. The speeds of uploading or downloading mobile data may be affected.
- The actual speeds of uploading or downloading mobile data may be affected by factors such as network coverage, geographical environment, number of users, etc.

# 4G Terminals

- Currently, the LTE networks in Hong Kong mainly operate in the frequency band of 2.6 GHz, certain terminals available for sale in the United States and Canada only supporting 700/2100 MHz frequency bands are not suitable for use in Hong Kong.
- Users require the terminals supporting LTE 2.6 GHz for use of local 4G services.
- 4G terminals include handsets, data cards, tablet computers and notebook computers.

# 4G Roaming Services

- No 4G licence has been issued by Mainland China so far, while other overseas 4G networks are not popular or the frequency bands or standards in use are different from those in Hong Kong. Accordingly, users can only use 3G or 2G services for roaming to Mainland China and a majority of overseas places.
- The charges for data roaming plans vary among network operators, e.g. daily rate or standard rate, users can check with the respective operators for 4G roaming information and destinations.

# Local Tariffs and Points to Note

- Currently, the monthly fees for 4G service plans are similar to those for 3G service plans.
- Some monthly fee plans include fair usage policy provisions. When the data usage has exceeded the fair usage threshold, the network speed may be restricted.
- The coverage of 4G networks of different operators may vary. When users subscribe to 4G services, they can obtain the latest information on network coverage and charging details from their respective operators.

Thank you  
~~ End ~~

**The 1<sup>st</sup> Meeting of the Telecommunications Users and Consumers Advisory Committee  
(9 July 2012)**

**CA's Latest Statistics on Consumer Complaints on Telecom Services**

(4<sup>th</sup> Quarter of 2011 and 1<sup>st</sup> Quarter of 2012)

Service Type	2 <sup>nd</sup> Q 2011		3 <sup>rd</sup> Q 2011		4 <sup>th</sup> Q 2011		1 <sup>st</sup> Q 2012		Number of Cases found to involve breach of the Telecommunications Ordinance/Licence Conditions after Investigation
	No. of Complaints Received	Number of Cases Outside the Scope of the Telecommunications Ordinance/ Licence Conditions	No. of Complaints Received	Number of Cases Outside the Scope of the Telecommunications Ordinance/ Licence Conditions	No. of Complaints Received	Number of Cases Outside the Scope of the Telecommunications Ordinance/ Licence Conditions	No. of Complaints Received	Number of Cases Outside the Scope of the Telecommunications Ordinance/ Licence Conditions	January 2011 to March 2012
Mobile	529	525	598	596	508	506	566	559	2
Fixed Network	173	169	245	233	185	174	186	171	0
Internet	422	420	434	431	416	409	382	379	1
External Telecommuni- cations	25	24	21	20	20	20	20	20	0
Others	33	31	12	10	11	8	6	6	0
Unclassified	9	9	20	20	16	16	13	13	0
<b>Total</b>	<b>1191</b>	<b>1178</b>	<b>1330</b>	<b>1310</b>	<b>1156</b>	<b>1133</b>	<b>1173</b>	<b>1148</b>	<b>3</b>

Remarks: The aforesaid statistics on consumer complaints about telecom services do not include reports made by consumers in respect of the Unsolicited Electronic Messages Ordinance.

#### A. Analysis of Complaints in the 4<sup>th</sup> Quarter of 2011 and the 1<sup>st</sup> Quarter of 2012

##### Overview

- In the 4<sup>th</sup> Quarter of 2011 and the 1<sup>st</sup> Quarter of 2012, CA received 1156 and 1173 consumer complaints respectively. The number of complaints recorded a noticeable decrease from the 3<sup>rd</sup> Quarter of 2011 (1330 cases) while the numbers of complaints about various services had dropped. Among the complaints in these two Quarters, 98% of complaints (1133 cases) in the 4<sup>th</sup> Quarter of 2011 and 97.9% of complaints (1148 cases) in the 1<sup>st</sup> Quarter of 2012 were outside CA's scope of jurisdiction as they did not involve any breach of the Telecommunications Ordinance ("TO") or licence conditions ("LC"). The majority of these complaints were concerned with disputes on bills/contract terms/service termination, dissatisfaction with customer service and dissatisfaction with the quality of mobile/fixed network/broadband services. The total number of these 3 types of complaints accounted for 83.9% (951 complaints) and 85.3% (979 complaints) of the cases which did not involve any breach of the TO or LC in each of the two Quarters. CA referred these cases to the operators, which would contact the complainants directly to resolve the issues.

##### Cases Involving Possible Breach of the TO or LC

- The remaining 23 cases (2%) of consumer complaints in the 4<sup>th</sup> Quarter of 2011 and the remaining 25 cases (2.1%) of consumer complaints in the 1<sup>st</sup> Quarter of 2012 (totalling 48 cases) were related to possible breach of the TO or LC, i.e. which might be within CA's scope of jurisdiction. Among the total of 48 complaint cases in these two Quarters, 17 cases were related to access by operators to public areas of buildings for the installation of telecommunications/broadcasting equipment and networks, and 14 cases were related to alleged misleading or deceptive sales



conduct, including 5 cases related to allegation against the alleged misleading conduct of a mobile service provider that announced it would resume offering unlimited service plans shortly after announcing the halt of such plans. The remaining cases involving possible breach of the TO or LC included 13 cases related to allegation against the alleged anti-competitive practice of a Internet service and fixed network operator that had substantially increased its service charges due to non-availability of alternative services from other service operators in the same region, and 4 cases related to allegation against service operators on the discrepancy between the concessionary details in the service plans and those stated in the promotional materials. CA would conduct investigation on possible breach of the TO or LC should there be sufficient *prima facie* evidence.

#### Mobile Services

- In the 4<sup>th</sup> Quarter of 2011 and the 1<sup>st</sup> Quarter of 2012, CA received respectively 508 and 566 consumer complaints related to mobile services, accounting for 43.9% and 48.3% of the complaints in the Quarters respectively. The number of complaints in the two Quarters was lower than that in the 3<sup>rd</sup> Quarter of 2011 (598 cases). In the 4<sup>th</sup> Quarter of 2011, the three major types of complaints were related to disputes on bills/contract terms/service termination (285 cases, accounting for 56.1% of the complaints received concerning mobile services). Others were related to dissatisfaction with customer service (79 cases, 15.6%) and dissatisfaction with network service quality (74 cases, 14.6%). In the 1<sup>st</sup> Quarter of 2012, most types of complaints were related to disputes on bills/contract terms/service termination (311 cases, accounting for 55% of the complaints received concerning mobile services), which represented a slight increase from 285 cases (56.1%) in the 4<sup>th</sup> Quarter of 2011. The numbers of complaints related to dissatisfaction with network service quality and dissatisfaction with customer service also slightly increased to 92 cases (16.3%) and to 89 cases (15.7%) in the 1<sup>st</sup> Quarter of 2012 from 74 cases (14.6%) and from 79 cases (15.6%) in the 4<sup>th</sup>

Quarter of 2011 respectively. As for the cases involving possible breach of the TO or LC, there were altogether 8 cases in the two Quarters. Among these cases, 5 were about allegation against the alleged misleading or deceptive sales conduct of a mobile service provider that announced it would resume offering unlimited service plans shortly after announcing the halt of such plans. The remaining 3 cases were related to allegation against mobile service providers on the discrepancy between the concessionary details in the service plans and those stated in the promotional materials.

#### Fixed Network Services

- In the 4<sup>th</sup> Quarter of 2011 and the 1<sup>st</sup> Quarter of 2012, among all the consumer complaints received by CA, the complaints about fixed network services accounted for 16% (185 cases) and 15.9% (186 cases) respectively, representing similar percentages in the two Quarters. The number of cases and the complaint rate were lower than those in the 3<sup>rd</sup> Quarter of 2011 (245 cases, 18.4%). The major types of complaints received in the 4<sup>th</sup> Quarter of 2011 and the 1<sup>st</sup> Quarter of 2012 were related to disputes on bills/contract terms/service termination (74 cases in the 4<sup>th</sup> Quarter of 2011 and 75 cases in the 1<sup>st</sup> Quarter of 2012), dissatisfaction with customer service (63 cases in the 4<sup>th</sup> Quarter of 2011 and 51 cases in the 1<sup>st</sup> Quarter of 2012), and dissatisfaction with network service quality (10 cases in the 4<sup>th</sup> Quarter of 2011 and 19 cases in the 1<sup>st</sup> Quarter of 2012). The total number of these 3 types of complaints made up 79.5% (147 cases) and 78% (145 cases) of the complaints about fixed network services received by CA respectively in the two Quarters. As for the cases involving possible breach of the TO or LC in these two Quarters, a total of 26 cases were about fixed network services. Among these cases, 14 cases were related to access by operators to public areas of buildings for the installation of telecommunications/broadcasting equipment and networks. Another 11 cases were about allegation against the alleged anti-competitive practice of a fixed network operator that had substantially increased its service charges due to non-availability of alternative

services from other service operators in the same region. The remaining 1 case was related to alleged misleading or deceptive sales conduct.

#### Internet Services

- In the 4<sup>th</sup> Quarter of 2011, among all the consumer complaints received by CA, the complaint rate and the number of cases related to Internet services were 36% (416 cases), which were slightly lower than those in the 3<sup>rd</sup> Quarter of 2011 (32.6%, 434 cases). Among the complaints received concerning Internet services, the major types of complaints were related to disputes on bills/contract terms/service termination (153 cases), dissatisfaction with Internet service quality (100 cases) and dissatisfaction with customer service (88 cases). There were a total of 341 cases, accounting for 82% of the total number of complaints related to Internet services. The complaint rate and the number of cases related to Internet services in the 1<sup>st</sup> Quarter of 2012 were 32.6% (382 cases), which were slightly lower than those in the 4<sup>th</sup> Quarter of 2011. The major types of complaints were disputes on bills/contract terms/service termination (172 cases), dissatisfaction with customer service (81 cases) and dissatisfaction with Internet service quality (65 cases), accounting for 83.2% (318 cases) of the total number of complaints related to Internet services. Among the complaints involving possible breach in the 4<sup>th</sup> Quarter of 2011 and the 1<sup>st</sup> Quarter of 2012, 11 cases were related to Internet services. Among these cases, 8 cases were about alleged misleading or deceptive sales conduct, 2 cases were related to allegation against the alleged anti-competitive practice of an Internet service provider that had substantially increased its service charges due to non-availability of alternative services from other service providers in the same region, and 1 case was related to allegation against an Internet service provider on the discrepancy between the concessionary details in the service plans and those stated in the promotional materials.
- The figures in the columns of “Number of Cases Outside the Scope of the Telecommunications Ordinance/Licence Conditions” and “Number of Cases found to involve breach of the Telecommunications Ordinance/Licence Conditions after Investigation” of the above table do not include

complaints under study/investigation.

#### B. Case Analysis of Breach of the Telecommunications Ordinance/Licence Conditions

- In the 4<sup>th</sup> Quarter of 2011, no breach of the Telecommunications Ordinance/licence conditions was established. In the 1<sup>st</sup> Quarter of 2012, there was 1 case of breach. It was related to misleading or deceptive representations in the mobile WAP site of a mobile service provider. The operator was found to have contravened Section 7M of the Telecommunications Ordinance. CA imposed a fine of \$80,000 on the mobile service provider. The relevant investigation report has been published on CA's website.

#### Statistics on Consumer Complaints Received by CA

Service Type	2009	2010	2011	2012 (1 <sup>st</sup> Quarter)
Mobile	1754	3023	2302	566
Fixed Network	909	812	801	186
Internet	1104	1561	1603	382
External Telecommunications	123	112	89	20
Others	122	176	99	6
Unclassified	39	27	56	13
Total	4051	5711	4950	1173