

立法會
Legislative Council

LC Paper No. CB(1)2166/02-03
(These minutes have been seen
by the Administration)

Ref: CB1/BC/11/01/2

**Bills Committee on
Telecommunications (Amendment) Bill 2002**

**Meeting on
Thursday, 19 June 2003, at 8:30 am
in Conference Room A of the Legislative Council Building**

- Members present** : Hon SIN Chung-kai (Chairman)
Dr Hon David CHU Yu-lin, JP
Hon Eric LI Ka-cheung, JP
Hon Howard YOUNG, JP
Hon YEUNG Yiu-chung, BBS
Hon Emily LAU Wai-hing, JP
Hon Abraham SHEK Lai-him, JP
Hon Albert CHAN Wai-yip
Hon MA Fung-kwok, JP
- Members absent** : Hon Fred LI Wah-ming, JP
Hon CHAN Kwok-keung
- Public officers
Attending** : Mr Francis HO, JP
Permanent Secretary for Commerce, Industry and
Technology
(Information Technology and Broadcasting)
- Mrs Marion LAI, JP
Deputy Secretary for Commerce, Industry and
Technology
(Information Technology and Broadcasting)
- Ms Gracie FOO
Principal Assistant Secretary for Commerce, Industry
and Technology
(Information Technology and Broadcasting)

Miss Linda SO
Assistant Secretary for Commerce, Industry and
Technology
(Information Technology and Broadcasting)

Mr M H AU, JP
Deputy Director-General of Telecommunications

Mr Edward WHITEHORN
Head, Competition Affairs Branch, Office of the
Telecommunications Authority

Mr Michael LAM
Senior Government Counsel, Department of Justice

Clerk in attendance : Miss Polly YEUNG
Chief Assistant Secretary (1)3

Staff in attendance : Miss Connie FUNG
Assistant Legal Adviser 3

Ms Debbie YAU
Senior Assistant Secretary (1)1

I Confirmation of minutes

LC Paper No. CB(1)1990/02-03 - Minutes of 13th meeting on 9 June
2003

Minutes of the 13th meeting on 9 June 2003 were confirmed.

II Committee Stage Amendments proposed by Hon SIN Chung-kai

LC Paper No. CB(1)2020/02-03(01) - Additional Committee Stage
(tabled and subsequently issued to members on 19 June 2003) Amendments proposed by the
Administration (English version only)

LC Paper No. CB(1)2020/02-03(02) - Administration's response to
(tabled and subsequently issued to members on 19 June 2003) Committee Stage Amendments
proposed by Hon SIN Chung-kai
(English version only)

- LC Paper No. CB(1)2020/02-03(03) - Letter from Consumer Council dated 18 June 2003 on Regulation of Mergers and Acquisitions in the Telecommunications Market (English version only)
(tabled and subsequently issued to members on 19 June 2003)
- LC Paper No. CB(1)2006/02-03(01) - Committee Stage Amendments proposed by Hon SIN Chung-kai (as at 17 June 2003) (English version only)
- LC Paper No. CB(1)1939/02-03(01) - "Major issues covered by the Administration's proposal and the proposed CSAs by Hon SIN Chung-kai" prepared by the Secretariat (revised, as at 17 June 2003)
(Chinese version tabled were subsequently circulated to members vide LC Paper No. CB(1)2020/02-03)
- LC Paper No. CB(1)1934/02-03(01) - Note on Thresholds Adopted by Competition Authorities in Examining Mergers and Acquisitions in Overseas Jurisdictions provided by the Administration)
- LC Paper No. CB(1)1955/02-03(02) - Letter from the telecommunications operators on "Response to the Administration's note on Thresholds Adopted by Competition Authorities in Examining Mergers and Acquisitions in Overseas Jurisdictions" (English version only)
- LC Paper No. CB(1)1903/02-03(02) - Powerpoint presentation material on the Bill provided by Hon SIN Chung-kai
- LC Paper No. CB(1)1903/02-03(03) - Letter from Consumer Council dated 9 June 2003 on Regulation of Mergers and Acquisitions in the Telecommunications Market (English version only)
- LC Paper No. CB(1)1858/02-03 - Report of the Bills Committee for the House Committee meeting on 6 June 2003
- LC Paper No. CB(3)593/01-02 - The Bill

2. The Bills Committee deliberated. (Index of proceedings attached at **Appendix**)
3. Members noted the Administration's intention to resume Second Reading debate of the Bill on 2 July 2003. However, most members cautioned against the hasty endorsement of the additional Committee Stage Amendments (CSAs) currently proposed by the Administration (LC Paper No. CB(1)2020/02-03(01)) pending a thorough examination of the proposed amendments. After discussion, members agreed in principle that the Chairman of the Bills Committee would give a verbal report to the House Committee on 20 June 2003 recommending, inter alia, the resumption of Second Reading debate of the Bill on 9 July 2003 subject to the completion of clause-by-clause examination of the additional CSAs currently proposed by the Administration at the next meeting scheduled for Tuesday 24 June 2003 at 10:45 am.
4. At members' request, the Assistant Legal Adviser 3 would provide a marked up copy of the additional CSAs proposed by the Administration to the Bill for members' consideration at the next meeting.

III Any other business

5. There being no other business, the meeting ended at 9:55 am.

Council Business Division 1
Legislative Council Secretariat
8 July 2003

**Proceedings of the meeting of the
Bills Committee on Telecommunications (Amendment) Bill 2002
on Thursday, 19 June 2003, at 8:30 am
in Conference Room A of the Legislative Council Building**

Time Marker	Speaker	Subject(s)	Action Required
000000 - 000123	Chairman	Introductory remark and confirmation of minutes of meeting held on 9 June 2003.	
000124 - 001333	Administration Chairman	The Administration introduced the papers and its additional Committee Stage Amendments (CSAs) (LC Paper Nos. CB(1)2020/02-03(01) and (02)).	
001334 - 001810	Mr Howard YOUNG Administration	(a) Members of the Liberal Party supported the additional CSAs currently proposed by the Administration. (b) Thresholds in change of control.	
001811 - 002324	Mr Albert CHAN Administration Chairman Mr MA Fung-kwok	(a) Members cautioned against the hasty endorsement of the Administration's last-minute proposed CSAs pending a thorough examination of the proposed amendments. (b) Letter from the Consumer Council dated 18 June 2003 tabled at the meeting. (LC Paper No. CB(1)2020/02-03(03)).	
002325 - 002803	Mr YEUNG Yiu-chung Administration	(a) Members of the Democratic Alliance for Betterment of Hong Kong supported the additional CSAs currently proposed by the Administration. (b) Thresholds in change of control and "associated person".	
002804 - 004253	Ms Emily LAU Administration Assistant Legal Adviser 3 (ALA3)	(a) Measures to ensure that the claimed consumer/public benefit arising from an M&A would be realized. (b) The use of the expressions of consumer benefit, public benefit/benefit to the public and public interest.	
004254 - 004850	Mr Eric LI Chairman Mr Abraham SHEK	(a) Mr Eric LI objected to the introduction of the Bill as it was not conducive to attracting investment. He supported in principle the additional CSAs currently proposed by the Administration because they helped mitigate the adverse impact of the Bill. (b) Mr Abraham SHEK did not support the Bill.	

004851 - 010421	Ms Emily LAU Administration ALA3	(a) Ms Emily LAU upheld the pro-competition and sector-specific regulatory regime enshrined in the Bill although she considered that the most preferable approach was the introduction of a universal competition law. (b) Measures to ensure that the claimed consumer/public benefit arising from an M&A would be realized.	
010422 - 010800	Mr YEUNG Yiu-chung Administration Chairman	"Associated person" and thresholds in change of control.	
010801 - 012048	Chairman Mr Abraham SHEK Ms Emily LAU Mr Howard YOUNG Mr Eric LI	(a) Mr SIN indicated he might withdraw his proposed CSAs if the additional CSAs proposed by the Administration could reflect the agreement reached between the Administration and the industry. (b) The industry and other parties were welcomed to provide further comments, if any, on the additional CSAs currently proposed by the Administration (LC Paper No. CB(1)2020/02-03(01)). (c) Members agreed in principle that the Bills Committee could give a verbal report to the House Committee on 20 June 2003, recommending the resumption of Second Reading debate of the Bill on 9 July 2003 subject to the completion of clause-by-clause examination of the additional CSAs currently proposed by the Administration at the next meeting. (d) Date of next meeting: 24 June 2003, at 10:45 am.	ALA3 to note as per paragraph 4 of the minutes.