

**Extract from Minutes of House Committee meeting
of the Legislative Council held on 17 May 2002**

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III. Business arising from previous Council meetings

(a) Legal Service Division reports on bills referred to the House Committee in accordance with Rule 54(4)

**(ii) Telecommunications (Amendment) Bill 2002
(LC Paper No. LS 90/01-02)**

5. The Legal Adviser explained that the Bill proposed to confer on the Telecommunications Authority (TA) a specific regulatory power to regulate any change or proposed change in the ownership or control over a carrier licensee which, in the opinion of TA, had, or was likely to have, anti-competitive effect. A number of procedural safeguards were also proposed in the Bill to ensure the fair exercise of the proposed statutory power. The Legal Adviser further explained that non-compliance with the provisions of the Bill would render a carrier licensee liable to sanctions, including financial penalties as well as suspension or cancellation of licence.

6. The Legal Adviser informed Members that according to the LegCo Brief on the Bill, the public and the telecommunications industry had been consulted. The Legal Adviser added that the Panel on Information Technology and Broadcasting (ITB Panel) was also consulted on the legislative proposals on 28 May 2001 and 13 May 2002. Some Panel members were gravely concerned about the wide scope of powers proposed to be conferred on TA, and asked whether the powers to regulate merger and acquisition activities should be vested with an independent body instead. They also stressed the need to consult the industry on the guidelines to be issued by TA.

7. Mr SIN Chung-kai, Chairman of ITB Panel, said that as the Bill involved a number of controversial issues, the Panel in general considered that a Bills Committee should be formed to study the Bill.

8. The Chairman said that the New World PCS Limited, SmarTone and SUNDAY had written to her requesting that they be given opportunities to make representations to Members on the proposed amendments in the Bill.

Action

9. The Chairman proposed that a Bills Committee be set up to study the Bill in detail. Members agreed. The following Members agreed to join : Mr Fred LI, Mr SIN Chung-kai, Mr Howard YOUNG and Ms Emily LAU.

10. The Chairman added that the Bills Committee would be placed on the waiting list until a vacant slot was available.

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