

Class Licence for In-building Telecommunications Systems

**LegCo IT & Broadcasting Panel Meeting
8 April 2002**

“The 1998 Review of Fixed Telecommunications: A Considered View” Paper

- The Government considered the merits of the development of in-building telecommunications systems and proposed a streamlined licensing regime, that is, regulation by means of class licence.
- The Government subsequently proposed, and the Legislative Council enacted, the Telecommunications (Amendment) Ordinance 2000. It empowers the TA to create the new class licence.

The Telecommunications Authority
is now considering the details of
implementing the class licence for
in-building telecommunications systems
to authorize certain class of persons
to install and operate
in-building telecommunications system

Class Licence for In-building Telecommunications Systems

- Given the large number of buildings and property developments in Hong Kong, it would be impractical to issue individual licences for the operation of in-building telecommunications systems.
- Under the class licence regime, a person will be licensed if he meets the qualifications stated in the class licence.
 - No need to undergo a separate licence application/approval process.
 - No registration and licence fee requirements.
 - The licensee will be governed by the class licence conditions in operating the telecommunications systems, installation or equipment covered by the class licence.
- This will help encourage the provision and operation of in-building broadband networks, and work towards achieving full cabling for broadband network in Hong Kong.

The In-building Telecommunications Systems

- Include:
 - wireline and wireless systems (but excluding dish aerials or antennas for the reception of non-terrestrial broadcasting services)
 - terminal equipment
 - systems which are installed within a property development and do not cross any unleased Government Land or public streets.

The Class of Persons Qualified as Licensees

- The Telecommunications Authority proposes that only the property owners who have interest in the common parts of a building are eligible as licensees.
- Where there is only one owner to the building (e.g. commercial building in which the office space is only leased out), the property owner will be the class licensee of the in-building telecommunications system installed within the building.
- Where there is multiple ownership to a building (e.g. typical residential property development), it is proposed that:
 - the owners' incorporation will be the class licensee;
 - if there is no owners' incorporation, then all the registered owners of the building will collectively be regarded as licensees.

Service Allowed under the Proposed Class Licence

- Intra-building telecommunications and broadcasting services.
- Access services that enable fixed telecommunications network operators to make use of the systems to provide public telecommunications and broadcasting services.
- Licensee is not required to obtain a separate telecommunications service licence to provide all forms of intra-building voice, data, images, video services, etc. However, under the Broadcasting Ordinance, a separate Other Licensable Television Programme Service Licence is required
- Services involving the conveyance of telecommunications signals outside the buildings are not covered, for example:
 - Internet access services
 - any form of communications services between two or more in-building telecommunications systems

Obligation to Interconnect on a Non-discriminatory Basis

- The in-building telecommunications system should be opened up to telecommunications operators on a non-discriminatory and fair basis for access, so that the residents would not be arbitrarily deprived of the enjoyment and choice of telecommunications or broadcasting services.
- The terms of interconnection will first be a matter of commercial negotiation between the class licensee and the operators. If the parties cannot reach an agreement, section 36A of the Telecommunications Ordinance may be relied upon to seek determination by the Telecommunications Authority of the terms of interconnection, including the level of interconnection charges, which will be determined on a cost basis, including a reasonable cost of capital.
- If an in-building telecommunications system constitutes a bottleneck facility, section 36AA may be invoked to mandate sharing. Determination by the Telecommunications Authority can also be sought.

Right of Fixed Network Operators

- The statutory right of access to buildings to install equipment and cables to reach the residents in the building empowered to fixed telecommunications network operators under section 14 of the Telecommunications Ordinance will not be affected.

Operators may

- Choose to interconnect with other in-building telecommunications systems; or
- Install their own systems.

The Existing In-building Telecommunications Systems

- Most of them are established by fixed telecommunications network operators, with agreements or contracts between them and the property owners dealing with commercial matters such as ownership or fee arrangement
- Any other person not being a property owner establishing an in-building telecommunications system is not covered by the class licence
- In compliance with class licence requirements, these people are advised to approach the relevant property owners to enter into agreements to operate the systems on the owners' behalf.

Main Terms of the Class Licence for In-building Telecommunications Systems

- Not to lay the system across public streets or interconnect with buildings not belonging to the same property development.
- Interconnections with fixed telecommunications networks on a non-discriminatory basis.
- To comply with the technical specifications and guidance notes on telecommunication/broadcasting frequency channels issued by the OFTA.

Class Licence

- Facilitating the development of Intelligent Buildings to meet the needs of the Information Age.
- Streamlined licensing regime.
- Residents can enjoy unrestricted choice of different telecommunications or broadcasting services.
- Public consultation until 30 April 2002.