



香港  
寬頻

香港寬頻網絡有限公司  
Hong Kong Broadband Network Ltd.

CB(1)1757/01-02

The Hon Ms. Emily Lau Wai-hing, JP  
Deputy Chairman  
Public Accounts Committee  
The Legislative Council  
The Hong Kong Special Administrative Region

BY HAND

8<sup>th</sup> May, 2002

Dear Ms. Lau,

Re: Liberalization of the Local Fixed Telecommunications Market in Hong Kong

We refer to the captioned matter which is also covered by the Report of the Director of the Audit Commission dated 20 March 2002 relating to the liberalization of the local fixed telecommunications market ("Report").

As a new fixed telecommunications network services ("FTNS") operator in the market with a self-built network coverage of over 800,000 households and 90% of the public housing estates in Hong Kong, we are more than eager to offer all our services to the general public in Hong Kong. However, we have encountered strong resistance from the other FTNS operators, namely Wharf New T&T, New World Telephone & Hutchison Global Crossing for an interconnection of networks. Without a network interconnection, our customers simply could not communicate with the customers of the other networks making an effective telecommunications impossible.

Since at least November last year, we have approached the other FTNS operators for an interconnection of our respective networks. However, despite our efforts in urging for an interconnection, our request was either delayed unnecessarily or ignored. To avoid further delay, we have sought the assistance from OFTA in late January this year.

Two meetings were arranged by OFTA for mediating among the operators though no success was achieved in resolving the interconnection issue. Furthermore, despite the fact that no technical problem was identified for an interconnection, no definitive step was taken by OFTA to resolve this interconnection issue that affects the general public.

It was only until our further request for a direction that OFTA has taken a more proactive step in making directions for an interconnection. However, it was to our dismay that when the Direction was finally issued on 25 April, 2002 (which was almost 8 months since our networks were ready for interconnection) we found that OFTA was minded to cater for one local voice telephony service only to the exclusion of other services like Internet Access, IDD or other value adding services, etc..

We appreciate that the issue of interconnection is not simple with conflicting interests of different operators involved. We would have thought that OFTA has already tried its best endeavors in mediating with various FTNS operators. However, as mentioned in the Report, this interconnection issue is by no means a new issue and is well proven to warrant more clear and definitive guidelines for the operators to follow, so as to shorten the process of an interconnection.

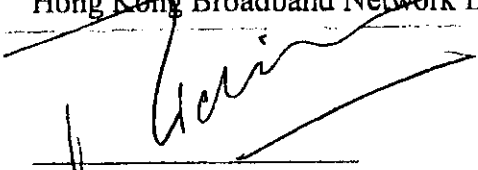
**In this relation, we opine that OFTA as a regulator should warrant more authority and active participation, rather than leaving this issue be dragged on at the discretion of the other FTNS operators.**

With the limited space here, we have tried not to include much factual details. We would be pleased to supply more information as you may require to look further into this case. Please do feel free to contact us should you have any queries.

Yours faithfully,

For and on behalf of

Hong Kong Broadband Network Limited



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Ricky Wong

Chairman

c.c. Members of the Public Accounts Committee,  
The Legislative Council, HKSAR