



**Briefing to Legislative Council
Information Technology and
Broadcasting Panel**

**Consultation Paper
on Special Number Arrangements**

**8 July 2002
by the Office of the
Telecommunications Authority**

Special Number Arrangements (SNA)

- Special Numbers are valuable public resource which should be utilised effectively and efficiently
- Objective : to allow telecom users and operators to choose their preferred numbers, number blocks or access codes in an open, transparent and fair manner



Legal Provision

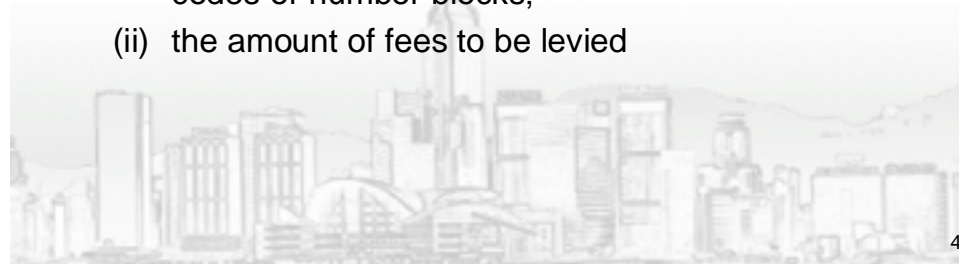
Under section 32F of the Telecommunications Ordinance as amended by the Telecommunication (Amendment) Ordinance 2000, the Telecommunications Authority may -

- lease or sell the right to use numbers, codes or number blocks
- approve on the request by any person, numbers, codes or number blocks to be subject of special allocation/assignment
- recover the cost of administration
- delegate the administration of part of the numbering plan to any person

Legal Provision

Under section 32F(5), the Secretary for Commerce, Industry and Technology may by regulation provide for :

- (a) (i) the allocation, assignment, lease or sale, whether by auction, tender or for consideration or otherwise of the right to use the numbers, codes or number blocks;
- (ii) the amount of fees to be levied



Legal Provision

- (b) (i) require sale proceeds to be either paid to a charitable institution or an institution carrying out education or telecom R&D activities, or applied towards promoting education or telecom R&D, or
- (ii) paid into a fund established by the TA for holding such proceeds prior to payment;



Types of Special Numbers

Category 1 : **Primary Special Numbers** - *Highly attractive numbers e.g. 8888 8888*

Category 2 : **Secondary Special Numbers** - *Numbers characterised by last 4 digits of a special pattern e.g. XXXX 8888*

Category 3 : **Special Number Blocks** (*Available for operators only*) - *Number Blocks with first 3 digits having a special pattern e.g. 222X XXXX and*
Special Access Codes (*Available for operators only*) - *e.g. 0033*

Category 4 : - **Consumer Requested Special Number**
- **Operators Requested Special Number**
- **Blocks and Access Codes**

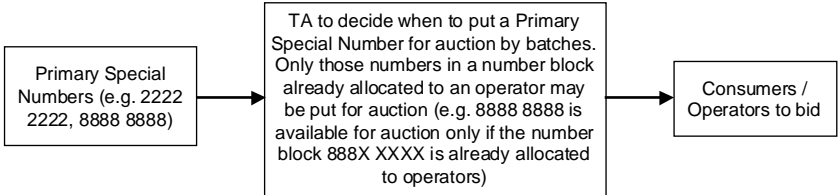
Proposed Method of Allocation

		Proposed Amount of Fees
Primary Special Numbers	Auction by OFTA	Consumers/Operators to bid, with a set minimum bid (Suggested level : \$10,000)
Special Number Blocks and Access Codes		Operators to bid, with a set minimum bid (Suggested level : \$200,000)
Operator Requested Special Number Blocks and Codes		
Secondary Special Numbers	Sale by operators (Note)	A fixed fee to be paid by consumers (Suggested level : \$200 ~ 500)
Consumer-requested Special Numbers		

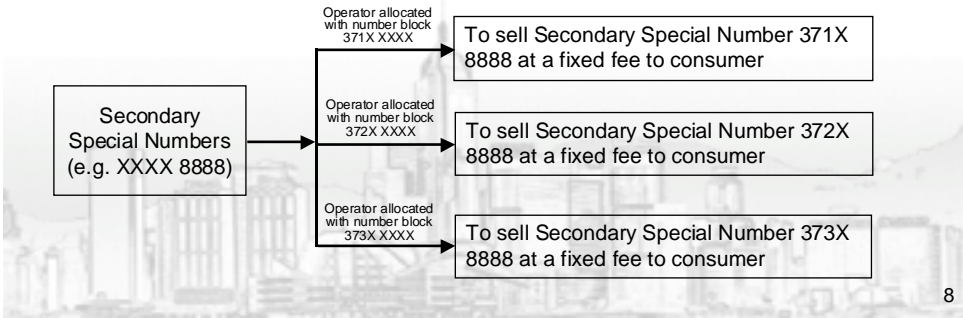
* Note: Operators will be allowed to retain 30% of the sale proceeds

Proposed Method of Allocation (Cont'd)

Category 1 : Primary Special Numbers

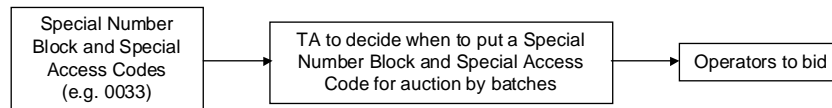


Category 2 : Secondary Special Numbers



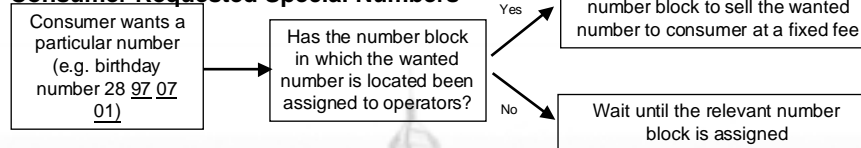
Proposed Method of Allocation (Cont'd)

Category 3 : Special Number Blocks and Special Access Codes

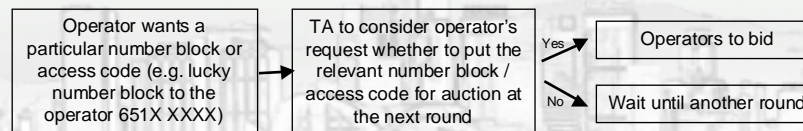


Category 4 :

Consumer Requested Special Numbers



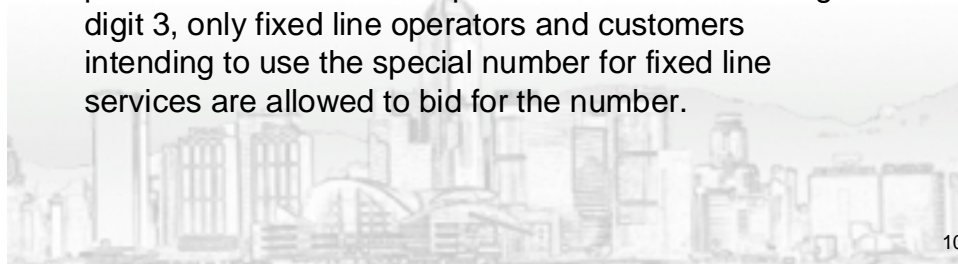
Operators Requested Special Number Blocks and Special Access Codes



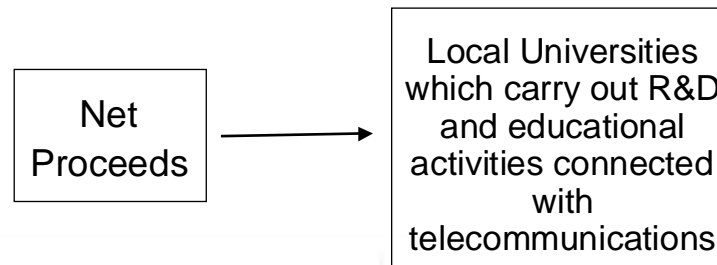
Special Numbers for Intended Use Only

- Special numbers can only be used in accordance with the numbering plan.
- Only operators who are conferred with the right for such use, or consumers intending to use the number for such use are allowed to participate in an auction.

e.g. a number with leading digit 3 can only be used for fixed line services in accordance with the numbering plan. In an auction for a special number with leading digit 3, only fixed line operators and customers intending to use the special number for fixed line services are allowed to bid for the number.



How to Use the Proceeds



- *Administratively Simple and Efficient*
- *Accountable - universities to report to the Government to ensure proper use of funds*

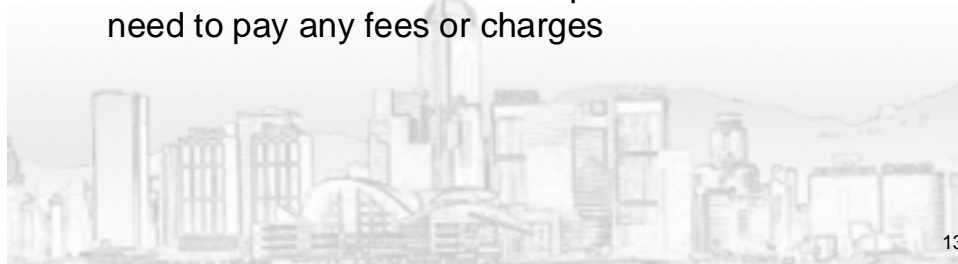
Possible Auction Mechanisms

- Traditional Live Auction
- On-line Bidding
- A combination of Traditional Live Auction and On-line Bidding



Retention of Existing Special Numbers

- Existing users will not be affected
- SNA will apply only to new numbering allocations and assignments
- Customers or operators currently using special numbers are entitled to keep them without the need to pay any fees or charges



Private Transaction of Special Number

- Divided views on whether private transactions of special numbers should be allowed
- On balance, TA proposes to prohibit private transactions because : -
 - (i) objective of the SNA is to provide for a fair & transparent procedure for allocation of special numbers
 - (ii) private transactions may lead to speculation and hoarding, and unreasonably high price
- The TA invites views on this issue

Change of the Current Numbering Plan

- Expected Lifetime up to 2015
- TA not liable for any financial loss if an attractive number becomes unattractive as a result of change of numbering plan



Way Forward

- Six-week consultation ends on 26 July 2002
- Secretary for Commerce, Industry and Technology to make necessary subsidiary legislation
- Scrutiny by the Legislative Council
- OFTA to prepare relevant guidelines for operators to follow

