

Executive Committee Mr. Shafi Aboobaker Chairman Asia Telecom Ltd Tel: 2877 7881 Fax: 2877 4889 Email: shafi@hkets.org

Ms. Cherry Lee Vice Chairman Trans World Communication, Limited Tel: 2110 9200 Fax: 21109983 Email: cherry@hkets.org

Mr. Norman Chan Treasurer iNeTalk.com Limited Tel.: 2778 2066 Fax.:2778 2224 E-mail: norman@hkets.org

Mr. Kam Poon Secretary Zone Limited Tel.: 8100 1511 Fax.:8105 1511 E-mail: kam@hkets.org

Mr. Anthony F. Balinger FHKiOD PLDT HK Ltd. Tel.: 2838 6126 Fax.:2596 0301 Email: tony@hkets.org

Mr. Vito Chan China Dynasty Ltd. Tel.: 91901231 Fax.: 2106 1333 Email: vito@hkets.org

Mr. Wilfred Kwan Asia Global Crossing Tel.: 2121 2850 Fax.:2121 2929 Email: wilfred@hkets.org

Mr. Soon Tai Apple Communications (HK) Ltd. Tel.: 2905 1557 Fax.:2297 0022 Email: soon@hkets.org

Honorary Legal Advisor: Mr. Shane F. Weir Weir & Associates, Solicitors & Notaries Tel: 2526 1767 Fax: 2868 3568 Email: weirlaw@hongkonglaw.com

Honorary Auditors Lam N. Chui Wallen Lam Tel: 2543 7538 Fax: 2581 0684 E-mail: wallen@hkstar.com

For Information & Inquiries please contact:

Administration Manager Ms. Boris Pang The Society of Hong Kong External Telecommunications Service Providers Ltd.

Unit 1501, 15th Floor, Causeway Bay Centre Causeway Bay, Hong Kong Tel: 25940126 Fax: 25960301 E-mail: contact@hketss.org

The Society of Hong Kong External Telecommunications Service Providers

香港對外通訊服務聯會

 302B Hung Kei Mansion, 5-8 Queen Victoria Street, Central, Hong Kong

 香港中環域多利皇后街 5-8 號鴻基大廈 302B 室
 Tel: (852) 2111 3070
 Fax: (852) 2877 8570

20th November 2002

CB(1)645/02-03(04)

Office of the Telecommunication Authority 29/F Wu Chung Building, 213 Queen's Road East Wanchai, Hong Kong

By email : <u>hyslai@ofta.gov.hk</u> Fax: 28035112

Attn: Helen Lai

Dear Ms Lai

Re: <u>Implementation Issues on the Charging arrangements of International Call</u> <u>Forwarding Services</u>

We refer to your circular dated 22nd November 2002 on the above.

The implementation issues raised by the operators, as listed by you, are of definite concern to the industry. However, the possible suggestions offered by OFTA need the involvement of the FTNS operators (except in cases of direct Interconnection) and a payment of charges to them for their involvement. The original surmise for the review "the the of ICFS charging arrangements was MNO is not fairly compensatedAnd the FTNS operator are over compensated......"" It now appears from your suggestions that the ETS industry not only has to pay the MNO the access charge but also the FTNS operator a "reasonable" charge for their involvement in the billing and settlement process. This only adds to the cost of the ICFS service which naturally will be passed on to the consumers-contrary to the theme of deregulation-that the consumer benefits with lower costs of services.

We fail to understand why the Regulator has suggested a complicated solution involving multiple parties, adding to costs, when a simple alternative solution is available as follows:

That the MNO charge their customers directly for calls forwarded to the ICFS number range



The Society of Hong Kong External Telecommunications Service Providers 香港對外通訊服務聯會

 302B Hung Kei Mansion, 5-8 Queen Victoria Street, Central, Hong Kong

 香港中環域多利皇后街 5-8 號鴻基大廈 302B 室
 Tel: (852) 2111 3070
 Fax: (852) 2877 8570

Since it is mandatory for all operators to identify the ICFS number ranges, it would be very practical (and without involving additional costs) for the MNO to charge its own customers any reasonable access charge (based on their net costs) for calls made to the ICFS number ranges. This would eliminate :

a) The involvement of the FTNS operator and thereby reduce the end costs to the consumer

b) The involvement of lengthy and unsuccessful negotiations between the ETS operators and the MNO and the FTNS

- c) The unreasonable requirement for the ETS operator to add the access charge on behalf of the MNO to their ICFS services and repay these to the MNO via the FTNS operators
- d) And most important of all -reduce the final overall cost to the end consumer

The TA's concern of "across-the board charges" is no longer a concern. With the identification of the ICFS number ranges, the MNO, if they so desire, *can_charge their customers for the ICFS only*.

We therefore request the TA to consider this option as the most practical solution.

With Regards

Shafi Aboobaker Chairman