

Printed at 10:51am on 23 Sep 2005

Webpage -- http://www.ofta.gov.hk/en/press_rel/2005/Sep_2005_r1.html

Press Release

Proposal to Create a Unified Carrier Licence to Pave the Way for Fixed-Mobile Convergence

The Office of the Telecommunications Authority ("OFTA") issued today (21 September 2005) a consultation paper to solicit public views on its proposal to pave the way for fixed-mobile convergence ("FMC") by creating a unified carrier licence.

Currently, fixed and mobile services are licensed under fixed carrier licences and mobile carrier licences respectively, with different rights and obligations imposed on the network operators. With the advent of new technologies, fixed and mobile services will converge. In the environment of FMC, it may become difficult to classify a service as a fixed or mobile service as the service may be used by customers at fixed locations on some occasions and in motion on other occasions. Accordingly, the existing separate licensing frameworks for fixed and mobile services may not be sustainable in the FMC environment.

"A public consultation on the introduction of Broadband Wireless Access ("BWA") services is in progress. These services will serve both fixed and mobile customers. It is therefore necessary to review the need for a unified licence that would suit all forms of networks and services," the spokesperson from OFTA said.

Under the proposed unified carrier licensing framework, a licensee may be allowed to provide (i) fixed services; (ii) mobile services; or (iii) both fixed and mobile services, depending on the scope of services proposed by the licensees in their licence applications.

It is proposed that once the unified licensing framework is in place, the existing fixed carrier licence and mobile carrier licence would no longer be issued to new entrants or to existing licensees whose licences are due for renewal. Existing fixed or mobile carriers would however be permitted to continue to operate under their existing licences until the licences expire. "No fixed or mobile carriers would be required to surrender their existing licences while the licences remain valid. Instead, they may have the discretion to convert their current licences to a unified carrier licence which covers their existing scope of service, or covers a wider scope of services," the spokesperson explained.

"The proposed unified licensing and regulatory framework will pave the way for converged services and should be conducive to technological advancement and market development of innovative services," the spokesperson added.

Interested parties are invited to submit comments on the proposed unified licensing framework on or before 21 November 2005. A copy of the consultation paper as well as the draft unified carrier licence can be downloaded from OFTA's website at www.ofta.gov.hk.

With the emergence of FMC, other relevant regulatory arrangements (e.g. interconnection charging arrangement between fixed and mobile networks and fixed/mobile number portability) will need to be reviewed. Before changing the existing regulatory regimes, it is important to assess the costs and benefits of any possible change. OFTA will conduct economic studies and initiate separate public consultations on these regulatory arrangements.

Background

Under the Telecommunications Ordinance, network operators that install and operate telecommunications facilities for carrying communications across public streets or unleased land may obtain "carrier licences" from the Telecommunications Authority. At present, there are two major types of carrier licences, namely, fixed carrier licence and mobile carrier licence. Typically, fixed carrier licences are issued to fixed network operators operating copper wires and optical fibres and mobile carrier licences are issued to mobile network operators operating 2G or 3G wireless networks.

"Broadband Wireless Access" is a wireless technology for connecting end-users to telecommunications networks for voice, data and multimedia communications. OFTA has initiated a public consultation on the licensing of BWA in December 2004 and issued a second consultation paper on the subject on 31 August 2005. Copies of these consultation papers may be downloaded from OFTA's website.

Office of the Telecommunications Authority
21 September 2005