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Press Releases of December 2004

Press Release - OFTA Seeks Industry Views on a Proposed Guideline on Interconnection between In-building Coaxial Distribution Systems

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The Office of the Telecommunications Authority (OFTA) today (3 December 2004) issued a consultation paper to solicit industry views about a proposed guideline on interconnection between in-building coaxial distribution systems ("IBCCDS"). Interconnection between IBCCDS is necessary in order to achieve the Government's policy objective of enabling consumers' access to a full range of telecommunications and broadcasting services of their choice without undue restriction.

An IBCCDS is an in-building coaxial cable system for the conveyance of telecommunications and broadcasting services and some amenities or security services for the building.

"At present, both Satellite Master Antenna Television ("SMATV") operators and Hong Kong Cable Television Limited ("HKCTV") are using the same horizontal drop cables connected to their own IBCCDS for the provision of satellite and cable TV services. The interconnection between the two systems within the same building is necessary to enable subscribers of HKCTV to enjoy concurrently pay television and satellite television services," a spokesperson of OFTA explained.

"The interconnection is basically made through a commercial negotiation between the two parties. However, they may seek a determination by the Telecommunications Authority (TA) if they have failed to reach any commercial agreement. The proposed guideline seeks to provide guidance to the concerned operators to resolve the technical arrangement for interconnection and set out the principles and matters to be considered by the TA in making the determination on the terms and conditions of such interconnection," the spokesperson continued to say.

The consultation paper can be downloaded from OFTA's website: www.ofta.gov.hk. The consultation period will last for eight weeks and submissions should be sent to OFTA on or before 28 January 2005.

Background

The Government concluded on 6 July 2004 the review of Type II interconnection policy that mandatory Type II interconnection to copper wires

of in-building systems (including blockwiring systems and IBCCDS) will be maintained.

Since some time in 2002, the Hong Kong Cable Television Limited ("HKCTV") changed the interconnection practice in buildings. It disconnects the drop cable from the IBCCDS of the Satellite Master Antenna Television ("SMATV") system and connects the customer's drop cables to its IBCCDS without making headend interconnection between the two IBCCDS. As a result, problems may arise such as the customers concerned could not have access to all services on the SMATV system, including sometimes the free-to-air terrestrial TV, closed circuit TV or FM broadcast services. The problem would be extended to the new incoming resident of the concerned premises because the new resident might not be aware that the drop cable had been disconnected from the SMATV system and the arrangement for receiving satellite television services.

Under section 6D of the Telecommunications Ordinance, the TA may, for the purpose of providing practical guideline in respect of any provisions of the Ordinance, issue such guideline as in his opinion are suitable for that purpose. In order to facilitate the concerned parties to arrange for IBCCDS interconnection, the TA therefore decided to issue the proposed guideline.

The guideline will only come into effect when published in its final form. It will be issued in due course after consideration of the submissions received during the consultation period.

Office of the Telecommunications Authority 3 December 2004