

By Mail

22 January 2007

The Honourable Albert Jinghan CHENG
Chairman of Panel on Information Technology and Broadcasting
Legislative Council

Dear Mr. Cheng,

**Re : Quality of Service on Residential Broadband Internet Access
Services Project Conducted by Office of the Telecommunications
Authority**

On behalf of Hong Kong Broadband Network Limited, I would like to thank the Legislative Council Panel on Information Technology and Broadcasting again for the opportunity to brief Honourable Members on the issues relating to Internet disruptions caused by earthquake damage to undersea cables recently.

Among other matters, the meeting noted that the Office of the Telecommunications Authority (“OFTA”) has aborted, in our view without reasonable cause, a project on Quality of Service (“QoS”) on residential broadband Internet access service. I would like to furnish the Panel with more background.

OFTA set out to increase market transparency through the QoS survey so that consumers have sufficient comparable QoS and service information to make more informed choices.

Among all, OFTA identified 5 technical key performance indicators (“KPIs”), namely :

- (i) Download time from the service provider’s website;
- (ii) Download time from a local website;
- (iii) Download time from overseas websites;
- (iv) Upload time to the service provider’s file transfer protocol (“FTP”) service and
- (v) Network latency.

OFTA invited representatives from operators, industry associations and consumer/end user interest groups to join a working group in August 2003 to take forward the exercise. It further appointed consultants from the Hong Kong University of Science & Technology to conduct tests,

with 120 users of the 4 major operators in Hong Kong, viz, Hong Kong Broadband Network Limited, Hutchison Multimedia Services Limited, I-Cable WebServe Limited and PCCW IMS Limited.

Several preparatory meetings and numerous exchanges of correspondence took place. OFTA even launched a public consultation aiming at consolidating views from the general public and the industry on the entire QoS framework. Then in January 2005, it issued a TA Statement confirming the adoption of technical KPIs as measurement indicators and the future arrangements whereby the relevant data would be published in OFTA's website on a monthly basis with the first lot of KPIs commencing in August 2005. A test on each individual operator was then conducted. Comments were invited.

To our surprise, however, OFTA suddenly informed us in the meeting on 30 March 2006 that no publications of KPIs would be made. Instead, a completely different exercise of conducting a public survey would be done which is, until now, still pending for publication.

To facilitate Members' consideration, we have set out in the enclosure a chronology of events leading to the abrupt termination of the QoS exercise. Several questions remain unanswered:

1. OFTA started working on this QoS exercise since August 2003, but it was not until the TA Statement issued on 12 May 2006 that it pointed out that the technical data solicited failed to form a complete basis for drawing conclusions. At that point, several rounds of test were already completed by the consultant. What contributed to OFTA's change of mind thinking during this period?
2. How much did OFTA spend on this technical KPIs project?
3. What was the criteria for selecting consultants to conduct technical testing?
4. Did OFTA go through with the consultant the testing methodology, analysis and other details before implementation?
5. Why is a consumer survey on broadband Internet access services being better information to the consumers, compared to technical KPIs?
6. How much would OFTA spend extra on this consumer survey?
7. What will be the expected date of completion?

We hope that the Panel would seriously look into the case. We stand ready to provide further clarifications should the Panel find it useful. As a responsible corporate citizen, we would be most happy to work

together with the Legislative Council for the benefit of consumers, operators, as well as the overall development of the telecommunications industry.

Thank you very much for your attention.

Yours sincerely,

Ricky Wong
Chairman
Hong Kong Broadband Network Ltd.

Chronology of Events on the Development of Residential Broadband Quality of Service (“QoS”)

Date	Descriptions
3 Aug 2003	OFTA issued a discussion paper outlining the current environment and the need for having a QoS for broadband services
29 Dec 2003	The TA issued a letter to HKBN providing a brief outline to the industry on the proposed QoS framework
29 Jan 2004	First Meeting of Working Group on QoS : the meeting aimed at soliciting inputs from different operators for the preparation of industry consultation paper on QoS
12 Feb 2004	Second Meeting on QoS : The meeting discussed whether QoS should cover business sectors and the definitions and measurement methodology of service indicators
4 Mar 2004	Third Meeting on QoS : The meeting continued discussing the definitions and measurement methodology of service indicators
22 Mar 2004	Fourth Meeting on QoS : Majority of meeting participants considered business sector should be considered at a later stage and the meeting continued discussing the definitions and measurement methodology of service indicators
1 Apr 2004	Fifth Meeting on QoS : The meeting finalized definitions of 5 service indicators and the chairman of the meeting indicated that TA would consolidate views in preparing an industry consultation paper on QoS
23 Jul 2004	The TA issued a consultation paper on QoS, based on the agreed views from the industry in previous QoS meetings and technical Key Performance Indicators (“KPIs”)
25 Nov 2004	The TA issued an operational guidelines for operators to prepare publications of service KPIs
18 Jan 2005	The TA provided a briefing to HKBN, outlining the roadmap of QoS and the proposed publishing format of the 5 technical KPIs
31 Jan 2005	OFTA announced QoS Information Framework to the public and issued a TA Statement on QoS, listing out 5 technical KPIs to be included in the test, and proposing that the results of the test would be published by Aug 2005

9 Jun 2005	After meeting with OFTA and the Consultant from Hong Kong University of Science & Technology regarding the measurement methodologies, HKBN issued a letter to the TA raising its concerns on the tests and a number of questions for TA's consideration
5 Aug 2005	TA issued a letter to HKBN confirming that tests would be conducted at bb10 service sites
1 Sept 2005	TA issued a letter to the industry, including HKBN, stating that the publication of QoS data would have to be postponed, until all other factors have been cleared
20 Sept 2005	TA issued a letter informing HKBN that the publication of QoS data would have to be postponed without providing further elaborations
31 Oct 2005	TA provided a copy of testing results for HKBN's comment
17 Nov 2005	Since TA did not advise HKBN about when the test results would be ready for publication, HKBN wrote to the TA requesting for a draft of the proposed report for comment
23 Dec 2005	After several requests from HKBN, the TA provided HKBN a technical KPIs report. However, the test results were not presented according to the agreed presentation format. The results were aggregated and could not show the result of individual operator
17 Mar 2006	The TA called for a meeting on 30 Mar 2006 to discuss with HKBN on the latest development of the broadband QoS
30 Mar 2006	TA informed HKBN that a new TA statement would be issued and would replace the one issued on 31 Jan 2005
12 May 2006	TA issued Statement which said that raw technical data was an incomplete basis for concluding which is a better broadband service, and that TA then resolved to undertake an ancillary study into residential user knowledge and use of broadband with a consultant appointed for this survey