

立法會
Legislative Council

LC Paper No. CB(1)2231/07-08
(These minutes have been seen
by the Administration)

Ref : CB1/SS/12/07

**Subcommittee on Subsidiary Legislation to Introduce a Unified Carrier
Licence under the Telecommunications Ordinance**

**Minutes of third meeting on
Friday, 20 June 2008, at 8:30 am
in Conference Room B of the Legislative Council Building**

Members present : Hon Bernard CHAN, GBS, JP (Chairman)
Hon SIN Chung-kai, SBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Howard YOUNG, SBS, JP
Hon Albert CHAN Wai-yip

Member absent : Hon Ronny TONG Ka-wah, SC

Public Officers attending : Mr Alan SIU, JP
Deputy Secretary for Commerce and Economic
Development (Communications and Technology)

Ms Ida LEE Bik-sai
Principal Assistant Secretary for Commerce and Economic
Development (Communications and Technology)B

Mrs Marion LAI, JP
Director-General of Telecommunications

Mr Y K HA
Deputy Director-General of Telecommunications

Mr Sanda CHEUK Sing-tak
Senior Telecommunications Engineer (Regulatory 13)
Office of the Telecommunications Authority

Ms Rayne CHAI
Senior Government Counsel
Department of Justice

Ms Phyllis POON
Senior Government Counsel (Acting)
Department of Justice

Clerk in attendance : Ms YUE Tin-po
Chief Council Secretary (1)3

Staff in attendance : Mr Kelvin LEE
Assistant Legal Adviser 1

Ms Guy YIP
Senior Council Secretary (1)5

Action

I. Meeting with the Administration

(LC Paper No. CB(1)1958/07-08(01) -- Administration's response to views submitted by various organizations on subsidiary legislation to introduce a unified carrier licence under the Telecommunications Ordinance

LC Paper No. CB(1)1958/07-08(02) -- Administration's response to issues raised at the Subcommittee meeting on 14 June 2008

LC Paper No. CB(1)1958/07-08(03) -- Submission dated 19 June 2008 from Hong Kong Cable Television Limited (English version only)

LC Paper No. CB(1)1978/07-08(01) -- Submission dated 19 June 2008 from PCCW Limited (English version only)
(tabled at the meeting and subsequently issued via e-mail on 20 June 2008)

LC Paper No. CB(1)1978/07-08(02) -- Submission dated 19 June 2008
(*tabled at the meeting and subsequently issued via e-mail on 20 June 2008*) from Wharf T&T Limited
(English version only)

LC Paper No. CB(1)1978/07-08(03) -- Administration's paper on
(*tabled at the meeting and subsequently issued via e-mail on 20 June 2008*) assessment of different scenarios
for number fee (power-point presentation material)

Other relevant papers

L.N. 132 of 2008 -- Telecommunications (Carrier
Licences) (Amendment)
Regulation 2008

L.N. 133 of 2008 -- Telecommunications (Level of
Spectrum Utilization Fees)
(Second Generation Mobile
Services) (Amendment)
Regulation 2008

LC Paper No. CB(1)1700/07-08(01) -- Marked-up copy of
Telecommunications (Carrier
Licences) (Amendment)
Regulation 2008 and
Telecommunications (Level of
Spectrum Utilization Fees)
(Second Generation Mobile
Services) (Amendment)
Regulation 2008 as amended by
L.N. 132 and 133 of 2008)

The Subcommittee deliberated (Index of proceedings attached at
Appendix).

Follow-up actions to be taken by the Administration

2. At the Subcommittee's request, the Administration undertook to:
 - (a) review the unified carrier licence (UCL) regime and study whether the number fee had achieved its intended purpose of prolonging the current 8-digit numbering plan three years after its commencement, and to report to the Panel on Information Technology and Broadcasting (ITB Panel) on the outcome of the review; and

- (b) provide the ITB Panel with detailed statistics on the utilization rate of numbers allocated to operators, after a conclusion had been reached between the Office of the Telecommunications Authority (OFTA) and operators on the definition of idle numbers.

Legislative timetable

3. The Subcommittee completed scrutiny of the Telecommunications (Carrier Licences) (Amendment) Regulation 2008 and Telecommunications (Level of Spectrum Utilization Fees) (Second Generation Mobile Services) (Amendment) Regulation 2008 and would report its deliberation to the House Committee on 27 June 2008. Mr Albert CHAN informed members that he would move a motion to repeal the amendment regulations at the Council meeting on 9 July 2008.

(Post-meeting note: Following his notice to move a motion to repeal the regulations at the Council meeting on 9 July 2008, Mr Albert CHAN had subsequently withdrawn the notice of his motion.)

II. Any other business

4. There being no other business, the meeting ended at 10:30 am.

Council Business Division 1
Legislative Council Secretariat
31 July 2008

**Proceedings of the third meeting of
the Subcommittee on Subsidiary Legislation to Introduce a Unified Carrier Licence
under the Telecommunications Ordinance
on Friday, 20 June 2008, at 8:30 am
in Conference Room B of the Legislative Council Building**

| Time marker | Speaker | Subject(s) | Action required |
|--------------------|---|---|---|
| 000036 – 000218 | Chairman | <p><u>Administration's response to views submitted by various organizations on subsidiary legislation to introduce the UCL under the Telecommunications Ordinance (Cap. 106)</u> (LC Paper No. CB(1)1958/07-08(01))</p> <p>Members noted the Administration's written reply.</p> | |
| 000219 – 003922 | Chairman Administration Mr SIN Chung-kai Assistant Legal Adviser 1 (ALA) Mr Jasper TSANG Mr Albert CHAN Dr Philip WONG | <p><u>Administration's response to issues raised at the Subcommittee meeting on 14 June 2008</u> (LC Paper Nos. CB(1)1958/07-08(02) and CB(1)1978/07-08(03))</p> <p>(a) In response to the Chairman's enquiry, the Administration advised that OFTA was able to compile statistics on the number of telephone numbers allocated to operators, but not on idle numbers held by them. It was estimated that the utilization rate of the allocated numbers was about 40% on average.</p> <p>(b) Mr SIN Chung-kai's concern/suggestion as follows :</p> <p>(i) the imposition of the number fee was a policy change which would have significant implications to operators and their existing users. In taking forward the proposal, the Administration should review the UCL regime and study whether the number fee had achieved its intended purpose of prolonging the current 8-digit numbering plan three years after its commencement.</p> <p>(ii) OFTA should inform the operators concerned before re-allocating their returned numbers to another operator (i.e. the operators be given a right of first refusal);</p> | <p>The Administration to take action as stated in paragraph 2(a) of the minutes</p> |

| Time marker | Speaker | Subject(s) | Action required |
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| | | <p>(iii) other measures should be taken to increase the utilization rate of numbers, in particular those allocated to commercial users and paging operators; and</p> <p>(iv) detailed statistics should be provided by OFTA on the utilization rate of numbers allocated to operators.</p> <p>(c) The Administration's advice as follows:</p> <p>(i) the suggestion on the right of first refusal was generally in line with the approach being considered by OFTA for re-allocation of numbers returned by operators; and</p> <p>(ii) other measures would be taken to increase the utilization rate of numbers. For example, with a view to providing financial incentives to paging operators to return idle numbers to OFTA, paging operators would be consulted on the proposal of imposing number fee on numbers allocated for paging services.</p> <p>(d) Mr Jasper TSANG said that members of the Democratic Alliance for the Betterment and Progress of Hong Kong supported the Administration's legislative proposal.</p> <p>(e) Mr Albert CHAN was of the view that in order to prevent operators from hoarding numbers, the proposed number fee should be abolished with a penalty charge imposed only on idle numbers held by operators. He opined that OFTA had proposed an across-the-board number fee merely for administrative convenience.</p> <p>(f) Dr Philip WONG supported the Administration's proposal. He also urged the Administration to devise timely and appropriate measures for the migration to a longer digit numbering plan.</p> <p>(g) The Administration advised that timely</p> | <p>The Administration to take action as stated in paragraph 2(b) of the minutes</p> |

| Time marker | Speaker | Subject(s) | Action required |
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| | | <p>preparation for the possible migration to a longer digit numbering plan would be made taking into account the availability of latest technology.</p> | |
| <p>003923 – 005057</p> | <p>Chairman Administration</p> | <p><u>Administration's responses to submissions from Hong Kong Cable Television Limited, PCCW Limited and Wharf T&T Limited</u> (LC Paper Nos. CB(1)1958/07-08(03) and CB(1)1978/07-08(01)-(02))</p> <p>The Administration's advice that:</p> <ul style="list-style-type: none"> (a) based on the foreseen demand and existing pace of number allocation, the current 8-digit numbering plan was expected to last up to 2015 when all numbers designated for mobile services were exhausted. The TA considered it necessary to plan ahead and adopt suitable measures to prolong the life span of the 8-digit numbering plan; (b) the new licence fee under UCL was "revenue neutral" to OFTA. Moreover, if operators returned a large quantity of unused numbers to OFTA, there would be material reduction of licence fee income for OFTA; (c) it was reasonable to align the customer connection fee for fixed and mobile services under the UCL; (d) on the number fee, the Administration considered the alternative proposals made by operators not feasible, or not worth pursuing for achieving the policy intent to encourage operators to use number resources efficiently. Details of the Administration's response were set out in LC Paper Nos. CB(1)1958/07-08(02) and CB(1)1978/07-08(03); (e) a multi-pronged approach whereby both financial measures (i.e. imposing number fee for UCL licensees as well as paging operators) and administrative measures (e.g. allocation of smaller number blocks to operators and raising the utilization threshold for application of new numbers | |

| Time marker | Speaker | Subject(s) | Action required |
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| | | <p>from the existing 60% to a higher level) would be adopted to promote an efficient use of the numbers;</p> <p>(f) the current UCL proposal and other measures being considered were expected to prolong the life span of the 8-digit numbering plan to beyond 2026. Meanwhile, the implementation of Fixed Mobile Number Portability (FMNP) would be subject to further study; and</p> <p>(g) it was necessary to strike a balance between consumers' preference for lucky numbers and promotion of efficient use of the scarce numbering resources in the public interest. Public education to encourage consumers to take up less favourable numbers would be considered.</p> | |
| 005058 – 005726 | Chairman Administration | <p><u>Clause-by-clause examination of the amendment regulations</u> (L.N. 132 and 133 of 2008)</p> <p>Members raised no query.</p> | |
| 005727 – 005830 | Chairman Administration | Legislative timetable | |