



香港通訊業聯會

Communications Association of Hong Kong (CAHK)

**Submission to Respond Communications and Technology Branch of the  
Commerce, Industry and Technology Bureau's Public Consultation on  
the Establishment of the Communications Authority**

**Communications Association of Hong Kong (CAHK)**

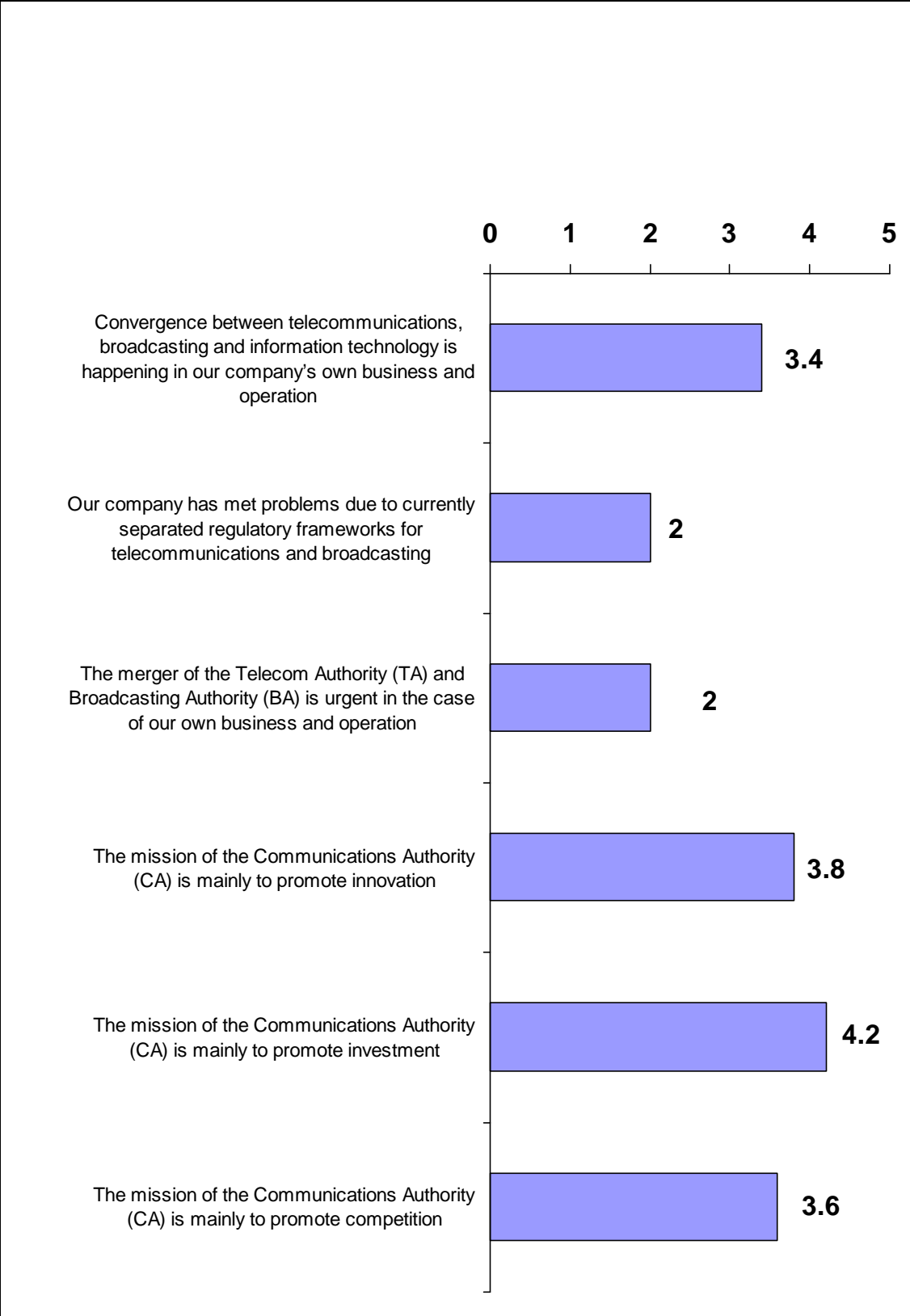
**Resubmitted on 8 August 2010**

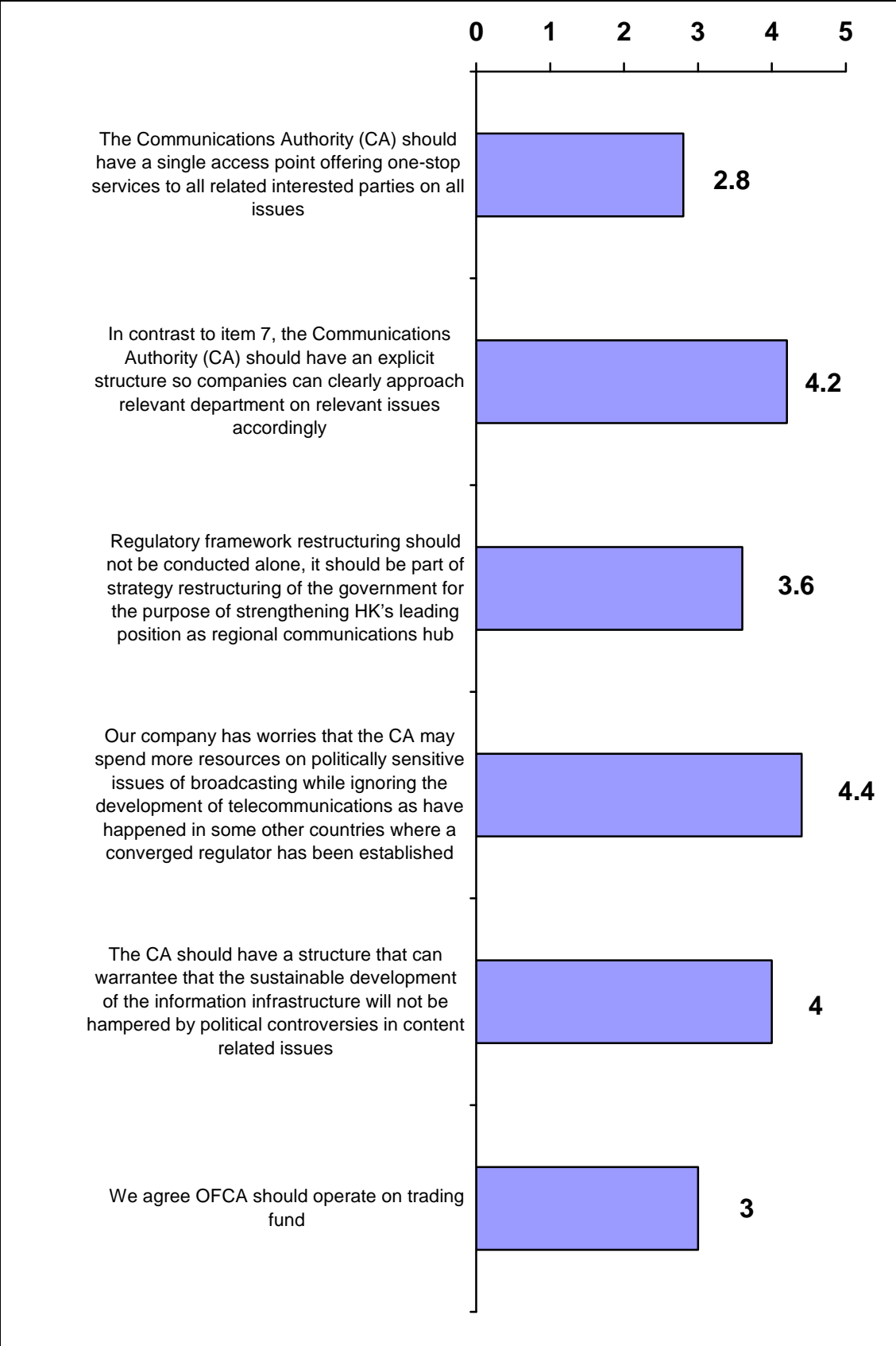
The Communications Association of Hong Kong (CAHK) welcomes the government's consultation on the establishment of the Communications Authority.

The convergence of telecommunications, broadcasting and computing is an increasingly evident trend. To enable Hong Kong to remain its leading position as regional information hub in the era of convergence, an appropriate regulatory framework is critical. In this case, this captioned consultation is necessary and timely.

In order to respond to the Government's consultation, the CAHK conducted a survey among its members during the first round consultation by the government. In the questionnaire used for survey, 18 questions regarding the merger of the TA and BA were raised. These questions were prepared on the basis of interviews with some member companies.

By the deadline, submissions from five operators had been received. Although the sample size is relatively small, the answers can, to a certain extent, reflect the point of views of a certain member companies, especially in the context that these answers are quite consistent. The following figure summarizes the results of the survey (1 stands for Strongly Disagree, 2 stands for Disagree, 3 stands for Neutral, 4 stands for Agree and 5 stands for Strongly Agree).







Among five operators who gave feedbacks, three of them agreed that convergence is happening in their company's own business and operation, one replied with neutral and another one with disagree.

All five operators disagreed that their company have met problems due to the currently separated regulatory frameworks for telecommunications and broadcasting. Not surprisingly, on average, they disagreed that merging the Telecom Authority (TA) and Broadcasting Authority (BA) is urgent in the case of their own business and operation. One operator that offers convergence services strongly disagreed such urgency.

All three proposed missions of the Communications Authority were agreed by these five operators. Among these three missions, the most agreed one is to promote investment, followed by promote innovation and promote competition.

As to the organizational structure of the CA, operators did not appreciate a single access point that offers one stop services to all related parties on all issues. In contrary, it is highly agreed that the Communications Authority (CA) should have an explicit structure so companies can clearly approach relevant departments on relevant issues accordingly.

It is also agreed that regulatory framework restructuring should not be conducted alone, but be part of strategy restructuring of the government for the purpose of strengthening HK's leading position as regional communications hub.

Given the fact that operators have not felt the urgency to set up a converged regulator, the government should carefully review the current related policy and design an effective organization structure of the CA.

Almost all companies have worries that the CA may spend more resources on politically sensitive issues of broadcasting while ignoring the development of telecommunications as have happened in some other economies where a converged regulator has been established. They strongly urge that the CA should have a structure warranting that the sustainable development of the information infrastructure will not be hampered by political controversies in content related issues.

It seems these operators don't care that much if OFCA should operate on trading fund or not.

As to the composition of the CA, what most strongly agreed is that the CA should be politically and commercially neutral.

These five companies either disagree or keep neutral towards that the CA will comprise seven members and how they are appointed. However, they strongly worry that a seven member authority may generate extra bureaucracy and consequently lead to low efficiency in policy deployment. It seems very important to design an effective decision procedure of the CA so as to build confidence in the industry.

The feedback tends to agree the proposed staged approach of setting up the CA in the first place, without making changes to the existing licensing and regulatory frameworks for telecommunications and broadcasting. The feedback also tends to agree that the CA should be a committee supported by a government department (OFCA) within the civil service establishment.

These five operators did agree that regulatory tolerance should take precedence over regulatory intervention as long as public interest is safeguarded when dealing with innovative services enabled by emerging technologies. That implies a light-hand regulation by the CA will be preferred.

As was pointed out earlier, the submission is based on feedbacks from limited companies and should be used for reference only.