Speed of Broadband Conveyance/Access Services

5. **MISS EMILY LAU** (in Cantonese): *Madam President, it is learnt that some members of the public have remarked that the speed of the broadband conveyance/access services provided by certain Fixed Telecommunications Network Services (FTNS) operators in Hong Kong is too slow, and the broadband conveyance/access services used by some households in private buildings are 10 times slower in speed than those used by universities. In this connection, will the executive authorities inform this Council:*

(a) whether they know the causes of the above situation, and whether such causes include FTNS operators' under-investment, or property developers' refusal to allow FTNS operators other than their own to provide broadband services; and

(b) of the measures in place to ensure that Hong Kong will not lag behind other developed countries in terms of the speed of broadband conveyance/access services?

SECRETARY FOR INFORMATION TECHNOLOGY AND BROADCASTING: Madam President, I will answer in English because of the terminology involved.

(a) At present, there is a variety of broadband Internet services at different speeds available for general consumers. Apart from the generally available 1.5 megabits per second (Mbps) services, there are also higher speed services at 3 Mbps, 6 Mbps, 10 Mbps or even the soon to be introduced 36 Mbps. The range of service speeds available compares favourably with those available to overseas consumers. For example, in the United Kingdom, British Telecom offers broadband Internet services at a speed of 500 kilobits per second (Kbps) to 2 Mbps. In Canada, Bell Canada offers services at 960 Kbps. In both places, some of their cable operators offer services at 5 Mbps to 10 Mbps. Moreover, the wide range of services in Hong Kong is available at very competitive prices ranging from $48 per month to over $300 per month. Hong Kong, therefore, offers comparable, if not more favourable, broadband services when compared with advanced overseas jurisdictions.

I would like to supplement that suitable conditions need to be satisfied if the desired service speeds are to be reached. For example, the hardware of the personal computer like processing speed of the central processing unit (CPU) and memory size, and the type of application software (for example, the browser) used by the customer will all affect the actual speed of accessing the Internet. Moreover, general residential customers tend to access the Internet at night after work. With many people using the Internet service at the same time during peak hours, it may lead to traffic congestion and reduction of bandwidth shared by users, hence affecting the speed of Internet access. Other factors like the location of the individual website, and capability of its server in coping with simultaneous access by multiple users, will also affect the actual speed for a user in accessing a particular website.

Madam President, it is suggested in the question that the speed of broadband Internet services used by residential customers might be 10 times lower than that used by universities. I would like to point out that the universities are not using broadband Internet service from the general Internet service providers as with residential customers. They use their own networks which are high-capacity networks comprising leased circuits dedicated for the use by universities. These networks are procured by the universities to ensure that they can handle transmission and processing of voluminous data for academic and research purposes. To meet their needs, the universities normally use high-capacity, high-speed networks that can support transmission speed of around 10 Mbps or above. On the other hand, the needs of individual customers are quite different. We have a diversified profile of individual customers ranging from occasional users to frequent users. Their needs for broadband Internet services vary. As a result, there exists a wide range of services to meet such variation in demand. Individual customers who have the need to go for higher speed services are free to choose services of 10 Mbps or above which are comparable to those used by the universities.

Hong Kong, in fact, compares favourably with other developed economies in terms of the speed of broadband Internet services

available to general consumers. With a broadband coverage of over 95% households and virtually all commercial buildings, consumers in Hong Kong are free to choose from the variety of services to better suit their own needs and requirements. Indeed, we see that improving broadband Internet services at increasingly competitive prices have boosted the number of broadband subscribers from around 51 000 in February 2000 to over 623 000 in December 2001, a 12-fold increase in less than two years. We expect that service quality and prices will further improve as more and more people use broadband Internet services, and as competition intensifies.

(b) As I explained in part (a), Hong Kong compares favourably with other developed economies in terms of the speed of broadband Internet services available to general consumers. Various measures that we have taken have facilitated the development of the broadband market in Hong Kong.

Firstly, we are committed to fully liberalizing our local fixed telecommunications market. With the issuing of six more local fixed telecommunications network services (FTNS) licences, we now have a total of 10 local FTNS providers, all of whom are capable of providing broadband services. From 1 January 2003, the local fixed telecommunications market will be fully liberalized. The level of investment in the infrastructure will be determined by the market.

Secondly, we aim to provide a pro-competition environment and a level playing field for operators. With the enactment of the Telecommunications (Amendment) Ordinance 2000, we have provided statutory pro-competition safeguards to enhance competition in the market. Under section 36A of the amended Telecommunications Ordinance, the Telecommunications Authority is clearly empowered to make determinations on interconnection, including related terms and conditions. In November 2000, the Telecommunications Authority has issued a statement laying down a transparent and pro-competition framework for broadband interconnection.

Thirdly, we seek to facilitate the roll-out of broadband network by the telecommunications operators. With the enactment of the Telecommunications (Amendment) Ordinance 2000, we have expressly provided authorized FTNS operators with the right of access to buildings to facilitate them to install their networks. It is, therefore, illegal for property developers to refuse access by an FTNS operator authorized by the Telecommunications Authority. Under section 14(4), an authorized FTNS operator may apply to a magistrate for an order that a person shall not prevent or obstruct the operator from exercising the statutory right.

For instance, last year a local wireless FTNS operator initiated legal proceedings for such an order from the magistrate, after refusal of entry into a residential building by the property owner. Subsequently, the FTNS operator did successfully gain access to the building after reaching agreement with the property owner, without the need to complete the legal proceedings.

In addition, the Office of the Telecommunications Authority (OFTA) has set up a specialized in-building access team to co-ordinate and facilitate such access. More recently, it has launched a publicity drive to educate the owners and building management of the benefits of allowing network operators to gain access to buildings to extend their network coverage.

Madam President, Hong Kong has an excellent broadband infrastructure for the development of the broadband market. Our quality of service, including speed, variety of choice and prices offered, all compare favourably with other advanced economies. We will continue to implement the above measures to ensure that Hong Kong maintains our position as a leader in the development of broadband service.

MISS EMILY LAU (in Cantonese): *Madam President, in the sixth paragraph of part (b) of the main reply, the Secretary mentioned that a specialized team had already been set up to co-ordinate and facilitate access works. The Secretary also mentioned that it was illegal for property owners to refuse access by an authorized FTNS operator. I would like to ask the Secretary: Why and when*

was the specialized team set up, and how many cases has it handled so far? Besides, the Secretary pointed out that it would bring benefits for the property owners to allow FTNS operators to gain access to buildings to extend their network coverage. May I ask what the benefits are for the property owners?

SECRETARY FOR INFORMATION TECHNOLOGY AND BROADCASTING (in Cantonese): Madam President, that specialized team was set up a little more than a year ago. During the first 12 months, if I remember it correctly, that team has already approached the property owners of almost 1 000 buildings. Of course, we hope the property owners and management companies will realize that to be able to choose telecommunications services, even including television services, is in fact the right of each and every household. If there are more services available for households, both the service quality and prices will be affected, thus benefitting each and every household. We will inform the property owners that the FTNS operators will extend their network coverage in an organized way. If it happens that several FTNS operators wish to install their networks in a specified building at the same time, we will play a co-ordinating role so as to avoid causing nuisances repeatedly to the property owners. All this falls into the scope of services of the specialized team.

MR SIN CHUNG-KAI (in Cantonese): *Madam President, has the Government noticed that the 630 000 subscribers to broadband services in December 2001 mainly chose the services of one or two service providers? Although there are 10 providers of such services at the present moment, the situation of competition is not that satisfactory. What are the reasons for this?*

SECRETARY FOR INFORMATION TECHNOLOGY AND BROADCASTING (in Cantonese): Madam President, in fact, broadband services only started not long ago. In respect of networks, of course there are 10 FTNS operators available as choices. But at the service level, there are more than 10 operators, as quite a number of service operators will rent the PCCW network, for example, to provide services. Hong Kong has a regulatory environment which safeguards competition, and thus we encourage competition as a matter of course. We see that the number of broadband subscribers has increased 12 times within the past 12 months. And this can prove that members

of the public do, in fact, want to use broadband services. If the public has a demand in this regard, naturally there will be more operators providing such services.

MR HOWARD YOUNG: *Madam President, I myself have the experience of using services at 1.5 Mbps and 10 Mbps with the same computer, and I found that the higher speed one does not appear to be six times faster than the other one, or might be my computer was not in the optimum configuration. Can the Government tell us whether there have been any spot checks or random checks around the territory, using optimal configuration computers to ensure that the broadband Internet services providers are actually providing what they purport to do?*

SECRETARY FOR INFORMATION TECHNOLOGY AND BROADCASTING: Madam President, there is a system in the OFTA to receive complaints from the public. In fact, in 2001, they have received 83 complaints on the quality of broadband Internet services, and most of the complaints have already been handled. In regard to the case mentioned, some broadband capacities are actually shared within the same building. When they say 10 Mbps, we also need to look at exactly what sort of services that they are providing. Of course, if it concerns only the fibre of the building type, one might actually get 10 Mbps all to oneself. Thus, it also depends on the nature of the services provided.

MISS EMILY LAU (in Cantonese): *Madam President, I would like to follow up on the supplementary question raised by me just now. The Secretary pointed out that the specialized team had dealt with more than 1 000 cases since its establishment a little more than a year ago. Can the Secretary clearly inform us that in the 1 000 cases, whether the controversy was mainly due to those property developers not allowing the operators other than their own (currently, some telecommunications services operators are also property developers) to gain access to the buildings, without knowing that this was illegal? Moreover, how long does it generally take to deal with one case? At present, is there a huge backlog of cases to be handled by the specialized team?*

SECRETARY FOR INFORMATION TECHNOLOGY AND BROADCASTING (in Cantonese): Madam President, maybe I shall give a rough clarification first. In fact, as regards the 1 000 cases, it was the specialized team of the OFTA which took the initiative to approach the owners' corporations or the property management companies, rather than the team taking actions in response to complaints. We can say that this is one of our large-scale educational and promotional initiatives. How did we select those 1 000 buildings? This mainly originated from some FTNS operators indicating their wish to gain access to these buildings to roll out their networks. While the work was in progress, we asked other FTNS operators if they were also interested in doing so. After gathering all the requests made by the FTNS operators, our team, together with the operators, approached and discussed with the owners' corporations or the management companies of these buildings. And we played our co-ordinating role in the process. In regard to the situation mentioned by the Honourable Emily LAU as to some property owners refusing access to buildings by the FTNS operators to roll out their networks, presently, we do not have such kind of complaints pending. The 1 000 cases mentioned by me earlier do not come under such category.

MR HOWARD YOUNG (in Cantonese): *Madam President, when the Secretary answered my supplementary question a moment ago, was she implying that the Government would only play a passive role? In other words, will the Government only check whether the speed is as fast as purported by the broadband services operators upon receipt of such complaints? Why does the Government not playing an active role in conducting tests so as to prevent the service operators from trying to pass something inferior as better products?*

SECRETARY FOR INFORMATION TECHNOLOGY AND BROADCASTING (in Cantonese): Madam President, the OFTA does play an active role in monitoring. In fact, the kind of services provided by a broadband services operator is one of licensing terms and conditions, and this also serves as an important indicator. In the event that the operators breach the terms and conditions of the licence, they will be sanctioned accordingly. In brief, monitoring work has been conducted by the OFTA.

PRESIDENT (in Cantonese): This Council has spent 15 minutes on this question. Last supplementary question.

MISS EMILY LAU (in Cantonese): *Madam President, my main question asked about the comparison of speed of the broadband conveyance/access services used by households in private buildings and the speed of those used by universities. The Secretary replied that since the former was different from the latter, the speed of services would be different. However, at the end of the third paragraph of part (a) of the main reply, the Secretary has pointed out that if there is a need, individual customers can also be provided with higher speed services. I believe users from residential buildings may not have a great need to go for higher speed services, but users from commercial buildings or the so-called intelligent buildings may have such a need. Does the Secretary know the number of such intelligent buildings in Hong Kong where the speed of network services is as high as those used by universities?*

SECRETARY FOR INFORMATION TECHNOLOGY AND BROADCASTING (in Cantonese): Madam President, almost all commercial buildings are under the broadband coverage. In fact, commercial buildings may not opt for the services used by the general public. Individual users from commercial buildings may deal with the services providers for leasing their own circuits when such needs arise in business. Therefore, the range of service speeds mentioned by me earlier, namely 1.5 Mbps, 3 Mbps, 6 Mbps or 10 Mbps, is not restricted to households only, but also open to users from commercial buildings.

PRESIDENT (in Cantonese): Sixth question.

Assault of Health Care Personnel by Psychiatric Patients

MR MICHAEL MAK (in Cantonese): *Madam President, firstly I would like to declare my interest as a paid employee of the Kwai Chung Hospital under Hospital Authority (HA).*