

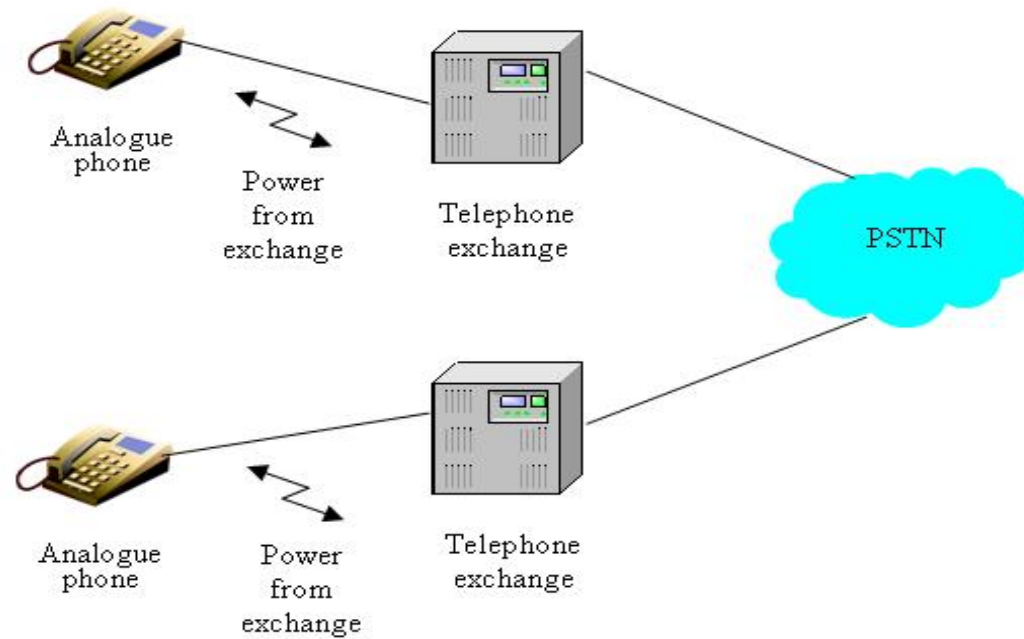
Regulation on Internet Protocol Telephony

Office of the Telecommunications Authority

8 November 2004

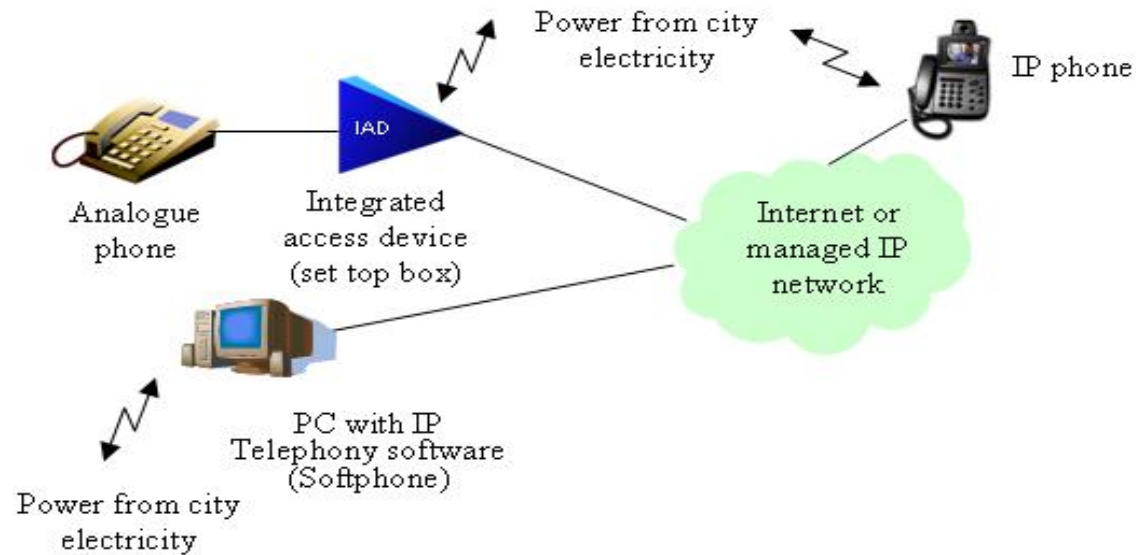
Introduction

Conventional Telephone



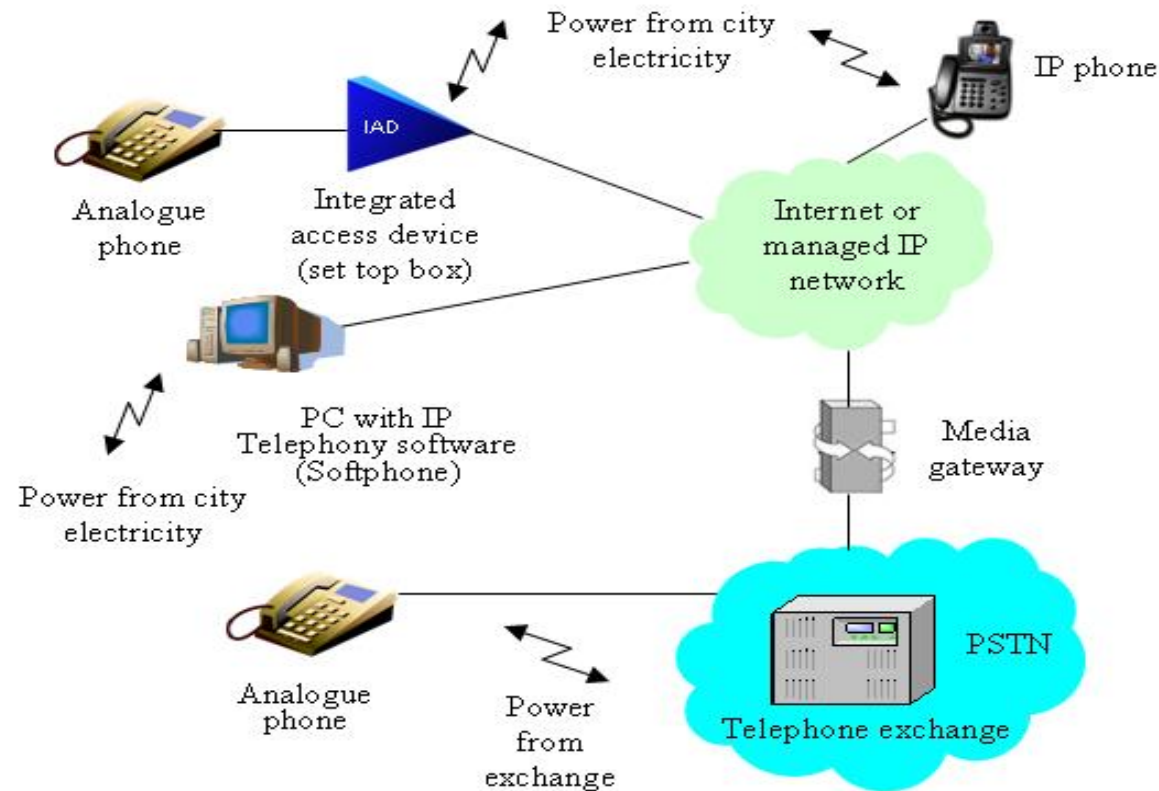
Introduction

Internet Protocol (IP) Telephony Services



Introduction

IP Telephony Connection to the PSTN



Introduction

Internet Protocol (IP) Telephony or Voice over IP

- IP Telephony Services are conveyed mainly over the Internet instead of the conventional telephone network
- IP Telephony Services may integrate with data, text, video or multimedia communications
- Local fixed network operators are permitted to operate IP Telephony services if existing licence conditions are fulfilled
- Consultation is to seek views on necessary regulations on IP Telephony Services

Key Regulatory Issues

Policy and licensing

- Whether all current licence conditions are still applicable ?
- Any need for criteria for classifying IP Telephony Services which are intended to be a substitute for conventional telephone service ?
- Should there be any minimum regulation on IP Telephony Services which are NOT intended to be a substitute for conventional telephone service ?
- Should we allow PNETS licensees to offer IP Telephony Services ?

Key Regulatory issues

Numbering

- Should conventional telephone and IP Telephony Services use the same 8-digit numbers ?
- Should we mandate number portability on IP Telephony Services which are:
 - a) intended to be a substitute for conventional telephone service and
 - b) NOT intended to be a substitute for conventional telephone service ?

Key Regulatory Issues

Interconnection and charge settlement

- Whether any-to-any connectivity principle should be adopted ?
- Any obligation/right for IP Telephony Services provider to send/receive calling line identification ?
- Any obligation for IP Telephony Services providers to pay interconnection charges, local access charge and universal service contribution ?

Key Regulatory Issues

Consumer issues

- Directory enquiry service
- Calls to 999 emergency centre
- Backup power supply
- Quality of service

Preliminary Views of OFTA

- Minimum and proportionate regulation for IP Telephony Services to preserve certain social objectives, e.g. access to emergency services
- Important to uphold the principle of “technology neutrality”
- Regulations should not obstruct new technologies
- Choice and pace of introduction of services should be left to consumers and market

Key Issues for Consultation

- Applicability of FTNS licence conditions to IP Telephony Services
- Provision of IP Telephony Services by PNETS licensees
- Allocation of numbers to IP Telephony Services
- Impact of IP Telephony Services on interconnection charges, local access charges and universal service contribution
- Ability to use the IP Telephony Services inside/outside of Hong Kong raises issues on caller location information, definition of external telephone traffic and demand on numbering resources
- Consumer issues

Consultation Period

- Consultation paper issued on 4 October 2004
- Submission of comments by 4 December 2004

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