

Availability and Provisioning of Blockwiring for Type II Interconnection

Industry Consultation Paper

21 April 2005

INTRODUCTION

The Government announced the new Type II interconnection policy on 6 July 2004. In accordance with the statement entitled “Review of Type II Interconnection Policy” (the Type II Statement) issued by the Telecommunications Authority (the TA) on the same date, the Type II interconnection at telephone exchange level (Point A as indicated in the diagram in Annex 1) will be fully withdrawn by 30 June 2008, except for buildings meeting the essential facilities criterion.

2. Paragraph 14 of the same statement also notes the following:-

“..... the vast majority of buildings in Hong Kong have one to two blockwiring systems. Even if there is no space limitation for the installation of the vertical sections of the systems, there are bound to be constraints in the installation of the horizontal wiring leading into individual premises. Economic considerations may also be against the installation of additional wiring systems beyond two. In some buildings, the policy of the developers, the landlords or managers may restrict the number of in-building blockwiring systems. The number of such systems provided is therefore less than the number of local fixed network operators in the market”.

The Government is minded that residents in a multi-storey building should have unrestricted access to telecommunications services of their

choice, which should be on the basis of price, quality, innovation and operators' responsiveness to customers' needs, rather than control of the in-building wiring systems. The Government therefore decided that there is a need to continue mandating the Type II interconnection at in-building level (Point C as indicated in the diagram in Annex 1). Paragraph 16 of the Type II Statement stated that “[the] interconnection can be made at any technically feasible point of the in-building system.”

3. In another statement entitled “Implementation of Type II Interconnection Policy Announced on 6 July 2004” (the Implementation Statement) issued on 19 July 2004, the TA sets out, among other things, measures that would facilitate the implementation of the new Type II interconnection policy. With the withdrawal of Type II interconnection at Point A in an orderly manner, the TA expects to see increased migration of service provision taking place either

- (a) from relying on interconnection at Point A to using end-to end self-built networks connecting all the way to the customer premises; or
- (b) from relying on interconnection at Point A to interconnection at Point C.

Migration of Type II interconnection from Point A to Point C was identified as a key issue crucial to the successful implementation of the new Type II interconnection policy. The two TA statements mentioned can be downloaded from the website of the Office of the Telecommunications Authority (OFTA): www.ofa.gov.hk.

BACKGROUND

4. While the local fixed carriers have managed to enter into commercial agreements for the mutual access to in-building wiring

systems under their respective control, the TA has received from time to time complaints about service rejection and requests for intervention concerning difficulties in accessing in-building wiring systems. The reason for service rejection may be the exhaustion of the blockwiring facilities available in the building, or the genuine need to reserve the available blockwiring resources by the blockwiring provider to meet its own service needs. However, in many cases there is a lack of apparently valid reason for the service rejection. In the absence of the required blockwiring facilities, or the unpredictability of the availability of such facilities, the requesting fixed carrier will not be able to provide the telecommunications services to its customers in the building. From the perspective of the consumer, such rejection of blockwiring services will also limit the choice of telecommunications services for the occupiers in the building. The TA is therefore minded to develop some practical guidance to the industry with a view to facilitating interconnection at Point C.

5. To take forward the matter, OFTA established the Blockwiring (BW) Forum in November 2004 and invited participation from all local fixed carriers. The BW Forum was tasked to develop operational principles and procedures to facilitate Type II interconnection at Point C. Although not all local fixed carriers joined as members in the BW Forum¹, the principles on availability of blockwiring identified by the forum members should serve as a useful starting point for subsequent deliberation within the industry concerning interconnection at Point C (i.e. any technically feasible point of the in-building wiring system for interconnection).

6. Under section 6D of the Telecommunications Ordinance (the “Ordinance”) (Cap 106), the TA may, for the purpose of providing

¹ The members of the BW Forum include Wharf T&T Limited, New World Telecommunications Limited and CM Tel (HK) Limited. PCCW-HKT Telephone Limited, Hutchison Global Communications Limited, Hong Kong Broadband Network Limited, Towngas Telecommunications Fixed Network Limited and TraxComm Limited joined as observers.

practical guidance in respect of any provisions of the Ordinance, issue such guideline as in his opinion are suitable for that purpose. In accordance with section 6D(4)(b), the TA shall, before issuing any guideline setting out principles governing the criteria for any determination under section 36A(1) and the matters to be considered for the purposes of sections 36A(3) and (3B) in the application of sections 36A(3) and (3B) to any such determination, carry out such consultation with the telecommunications industry as is reasonable in all the circumstances of the case.

7. The purpose of this consultation paper is to invite views and comments on a guideline proposed to be issued by the TA for setting out the principles regarding the availability and provisioning of blockwiring for interconnection at Point C that may be considered by the TA in any determination or direction to be made under section 36A and/or section 36B of the Ordinance. Preliminary views expressed by the TA in this consultation paper are for the purpose of discussion and consultation with the industry only. Nothing in this consultation paper represents or constitutes a determination, direction or decision made by the TA. Moreover, the consultation contemplated by this paper is without prejudice to the exercise of his power under section 36A to make determination and under section 36B to issue a direction to secure interconnection where individual cases may so warrant irrespective of whether this consultation is still in progress.

APPLICATION AND SCOPE OF THE PROPOSED GUIDELINE

8. The proposed guideline, which is given in Annex 2, sets out the principles identifying the situations under which blockwiring is considered to be available and to be provided for interconnection at Point C. The guideline shall be applicable to all local fixed carriers and class licensees operating in-building telecommunications systems in all types

of buildings. However, for those buildings with more than one set of blockwiring systems, unless the requesting operator is rejected by, or after a reasonable period of negotiations, fails to reach commercial agreement with, all the blockwiring providers of such a building, the TA does not consider it necessary to take any regulatory intervention. For the purpose of this consultation paper, in-building optical fibres² and co-axial cables³ are not considered as blockwiring or part of the blockwiring system.

COMMERCIAL NEGOTIATION AND DETERMINATION

9. Local fixed carriers and class licensees operating in-building telecommunications systems are encouraged to arrange for interconnection in the manner as set out in the proposed guideline. All concerned parties should negotiate the terms and conditions including the charges on a commercial basis. If no commercial agreement can be reached between the concerned parties, they may request the TA to make a determination. In case of any dispute, they may seek assistance from OFTA for dispute resolution. Alternatively, either party may make a request to the TA to make a determination under section 36A of the Ordinance.

INVITATION FOR COMMENTS

10. The TA would like to seek views from the industry and other interested parties on the principles regarding the availability of blockwiring and the provisioning of blockwiring services given in this consultation paper. Views and comments should be made in writing and

² Paragraph 32 of the Type II Statement already makes it clear that Type II interconnection will not be extended to the fibre-based customer access networks of the local fixed carriers.

³ Interconnection of the in-building co-axial cable distribution systems (IBCCDS) is addressed in a separate consultation paper on the Guideline on Interconnection between the IBCCDS issued by the TA on 3 December 2004.

reach the TA on or before 21 May 2005.

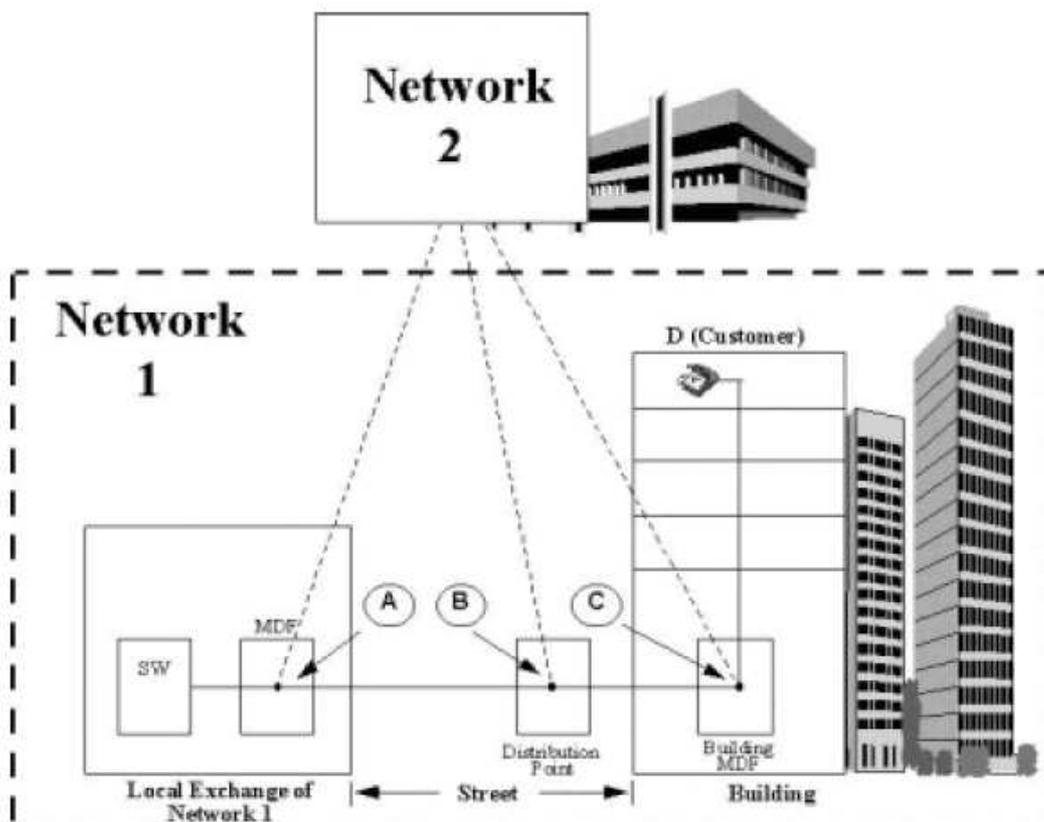
11. The TA reserves the right to publish all views and comments and to disclose the identity of the source in such manner as the TA sees fit. Any part of the submission, which is considered commercially confidential, should be clearly marked together with the reasons for such claim. The TA will take such markings into account in making his decision as to whether to disclose such information or not. Submissions should be addressed to:

Office of the Telecommunications Authority
29/F Wu Chung House
213 Queen's Road East
Wan Chai
Hong Kong
[Attention: Senior Telecommunications Engineer (Regulatory)]

Comments may also be sent by fax to 2838 5004 or by email to blockwiring@ofta.gov.hk

Office of the Telecommunications Authority
21 April 2005

Type II Interconnection Points



GUIDELINE FOR TYPE II INTERCONNECTION AT POINT C

APPLICATION AND SCOPE OF THE GUIDELINE

1. Section 36A of the Telecommunications Ordinance (“the Ordinance”) empowers the Telecommunications Authority (“TA”) to determine the terms and conditions of interconnection of a type mentioned in section 36A(3D). According to section 36A(3), the terms and conditions in a determination may include any technical, commercial and financial terms and conditions that the TA considers fair and reasonable.

2. Under section 36B, the TA may issue directions requiring licensees to take such action as the TA considers necessary in order for the licensee to, inter alia, in relation to any interconnection of the type mentioned in section 36A(3D), secure the connection of any telecommunications service to any other telecommunications service licensed under the Ordinance.

3. Without prejudice to the powers of the TA under sections 36A and 36B to make determination and to issue direction to secure interconnection, the TA encourages that the terms and conditions of interconnection should be resolved by commercial negotiations and agreement wherever possible.

4. To facilitate commercial negotiations and agreement among the parties for interconnection at Point C as described in the TA Statement entitled “Review of Type II Interconnection Policy” and “Implementation of Type II Interconnection Policy Announced on 6 July 2004” issued on

6 and 19 July 2004 respectively, the TA hereby issues this guideline (“Guideline”) pursuant to section 6D setting out the matters to be considered by the TA in making a determination under section 36A on terms and conditions of, or issuing a direction under section 36B to secure an interconnection as the case so warrants.

5. This Guideline sets out the principles identifying the situations under which blockwiring is considered to be available and to be provided for interconnection at Point C (i.e. any technically feasible point of the in-building wiring system for interconnection). It is applicable to all local fixed carriers and all class licensees operating in-building telecommunications systems. For the purpose of this Guideline, in-building optical fibres and co-axial cables are not considered as blockwiring or part of the blockwiring system.

AVAILABILITY OF BLOCKWIRING

6. Blockwiring is defined as the wiring system inside the building or inter-linking clusters of buildings within a building complex. Type II interconnection at Point C is the arrangement for a local fixed carrier to reach a customer via the blockwiring or part of the blockwiring of another fixed carrier or a class licensee. Type II interconnection at Point C can be at any technically feasible point of the in-building system.

Vertical and horizontal blockwiring

7. For the purpose of this Guideline, the blockwiring is divided into Vertical blockwiring (V), Horizontal blockwiring (H) and other connecting parts, such as Main Distribution Frame (MDF) in the Telecommunications and Broadcasting Equipment (TBE) Room and the local boxes at various building floors. (H) is the part between the local box and the customer premises and (V) is the part between the MDF and

the local box. If inter-links between buildings exist, they should be regarded as a part of the (V). If the (V) part of a pair of wire is connected to the (H) part of a pair of wire, the whole connected part is referred to as (V+H). If there is no local box to separate the (V) and (H) parts of a pair of wire, the whole part is also referred to as (V+H).

[Remarks #1: In other words, a pair of in-building wire linking the MDF of the TBE Room and the modular socket inside the customer premises is referred to as (V+H).]

Availability of (V), (H) and (V+H)

8. If there is a customer requesting service for his own premises,
 - (a) the (V) wiring is to be considered as available if there is in-situ⁴ (V) available at the building floor where the premises is located (as defined in paragraph 9);
 - (b) the (H) wiring is to be considered as available if there is in-situ⁴ (H) connected to that premises; and
 - (c) the (V+H) wiring is to be considered as available if there is in-situ⁴ (V) available at the building floor where the premises is located (as defined in paragraph 9) and (H) connected to that premises, or (V+H) connected to that premises. The blockwiring provider is to connect (V) and (H) if (V+H) is requested.

9. The requesting operator is to specify the termination point for a (V) at a particular building floor or location point. The (V) is to be considered as available if it is found within lower and upper five (± 5) floors of the building floor requesting service unless there is physical

⁴ For avoidance of doubt, the in-situ wiring excludes faulty cables.

obstruction⁵ preventing the blockwiring provider from extending the (V) to the requested point of interconnection. For the avoidance of doubt, (V) is available even though it is already part of (V+H) connected to another premises. However, (V) is to be considered not available if it is currently used or ordered for use by a customer who occupied or is going to occupy another premises.

[Remarks #2: For a request of (V+H) by the requesting operator, it is possible that there is in-situ (H) connected to the premises requesting service but (V) is not available within lower and upper five (± 5) floors of the building floor where the premises is located. Under such circumstance, the blockwiring provider should source, as far as possible, any in-situ (V+H) for another premises within lower and upper five (± 5) floors of the building floor requesting service. If such (V+H) is available, the blockwiring provider should disaggregate that (V+H) into (V) and (H). The (V) so disaggregated should then be extended and connected to the (H) leading to the premises where a customer has made a request for service provisioning.]

10. No distinction should be drawn between a porting customer and a new customer. In other words, the wiring is to be regarded as available if it is spare (i.e. usable but left unused) or is currently used for provisioning of an existing service to the requesting customer and the requesting customer has decided to terminate that existing service and request to switch to the service of the requesting operator.

Availability of Blockwiring Interconnection Point (BIP)

11. If there is at least one unused tag block in the MDF vertical or adequate MDF space for installation of at least one tag block, the tag block installed / to be installed by the blockwiring provider is to be made

⁵ The physical obstruction includes any structural partition of the building in the course of extending the (V) from one vertical riser to another.

available to the requesting operator for BIP upon its request.

Blockwiring in new buildings

12. The blockwiring provider, when being the only existing provider in a new building, is to provide sufficient blockwiring capacities to meet the requirement of all local fixed carriers in the same building within a reasonable period from the issue of the occupation permit. This period should be 12 months. For avoidance of doubt, the obligation to provide Type II interconnection to blockwiring in accordance with this Guideline shall not be confined to the initial 12 months.

Reservation of blockwiring

13. Notwithstanding the availability of blockwiring as described above, the blockwiring provider may reserve blockwiring under the following circumstances:

- (a) Additional (V), (H) or (V+H), MDF resources or space, local boxes or other parts of the blockwiring installed for a specifically identified purpose. For avoidance of doubt, the specifically identified purpose should be supported by customer orders; and
- (b) One pair of (V) cables per local box can be reserved by the blockwiring provider for maintenance and testing purpose.

The blockwiring reserved by the blockwiring provider should become not available to the requesting operator.

PROVISIONING OF BLOCKWIRING

14. Type II interconnection at Point C shall be provided at any

technically feasible point of the in-building wiring system. Currently, most interconnections are performed inside the TBE rooms or at the local boxes of individual building floors. If for any operational reasons the blockwiring provider finds that the provision of a pair of (H), though considered to be available in accordance with the above principles, is not practicable, the blockwiring provider is expected to source and provide, as far as possible, any (V+H) in response to a request for (H) from the requesting operator. The provision of such an alternative solution enables the requesting operator to provide telecommunications services to its customers and is deemed to have satisfied the requirement for Type II interconnection at Point C. Likewise, the blockwiring provider is expected to source and provide, as far as possible, any (V+H) if the provision of (V) is not practicable for any operational reasons, in response to a request of (V) from the requesting operator. For avoidance of doubt, this paragraph does not apply to the situations mentioned in paragraph 13.

[Remarks #3: The requesting operator may request (H) from the blockwiring provider after it has installed (V) in the building. In such a case, the requested point of interconnection is at the local box with (H) connected to the premises requesting service. However, the blockwiring provider may not be able to provide the (H) only, though available, to the requesting operator due to operational reasons, such as the lack of proper inventory record system for (H). Under this circumstance, the blockwiring provider should counter-propose an alternative solution, such as provision of (V+H) with point of interconnection inside the TBE room, to the requesting operator to effect the Point C interconnection.]

COMMERCIAL NEGOTIATION AND DETERMINATION

15. Local fixed carriers and class licensees operating in-building telecommunications systems are encouraged to arrange for

interconnection in the manner as set out in the Guideline. All concerned parties should negotiate the terms and conditions including the charges on a commercial basis. If no commercial agreement can be reached between the concerned parties, they may request the TA to make a determination. In case of any dispute, they may seek assistance from OFTA for dispute resolution. Alternatively, either party may make a request to the TA to make a determination under section 36A of the Ordinance. Apart from the availability of blockwiring addressed in this Guideline, the TA will take into account all relevant matters as detailed in section 36A(10) of the Ordinance.

CHANGES TO THE GUIDELINE

16. This Guideline is not intended to be definitive and exhaustive and is applicable to scenarios insofar as envisaged in the Guideline. In exercise of his powers under sections 36A, the TA is entitled to take into account all circumstances of the case and determine the terms and conditions of the interconnection concerned as appropriate. The TA does not intend to bind himself to exercise a discretion following exactly the Guideline and therefore he is entitled to depart or deviate from these Guideline where the circumstances justify it under section 6A(3)(b)(ii). This Guideline may from time to time be amended, as and when it is considered necessary, and subject to review in the light of experience in applying it over time.
