<u>Submission of comments on the Communications Authority Bills</u> (7th October 2010)

From: John Chiu JP (Chairman of The Hong Kong Call Centre Association Honorary Chairman of The Wireless Technology Industry Of Hong Kong) Representing the Hong Kong Call Centre Industry.

General Comment

The members of the Call Centre Industry in general had expressed positively to the proposed formation of the Communications Authority as a merger of OFTA and Broadcasting Authority.

In our opinion, we feel that this merging of the two current authorities is long overdue. Based upon practices in most of the world developed countries, such as United Kingdom forming OFCOM in 2003 and Australia with the formation of ACMA in 2005, Hong Kong has fallen behind in having an appropriate body for the regulatory and legislative of telecommunications multi media and multi channel broadcasting operations.

As technology evolves rapidly, it induces changes in life style and business practices that require new regulations and updated legislation to ensure business prosperity in a secured and ethical manner. Nowadays, citizens and the general public are bombarded with information being pushed to them through multi media communications channel.

Two very good examples of emerging business models that require 'cross over' regulatory authority to ensure the legitimacy and to resolve their conflicts in their operations are Mobile TV, and Mobile Marketing. New business operations of these natures are being founded everyday. The proposed merger will provide one stop service to promote and to regulate these multi-media, multi channel operations.

Another point to be noted is that Hong Kong plays a very unique role in the international arena. While acting as a window to China for inducing international best practices and new technologies and at the same time acting as a gateway for China to export its services and products to the international market. Hong Kong can sustain advantages in playing this role because of its free market approach and freedom of expressions and speech, protection of IP rights, etc. However, both telecommunication and broadcasting are considered as highly political sensitive and protected industry in China. Hence in drafting up new regulations and ordinance for the newly propose regulatory body, one must take a balance of protecting the interest of the China regime, and at the same time protecting the well established advantages of Hong Kong.

The other concern of our members is in the formation of the independent committee to steer the proposed Communications Authority. Telecommunication and Broadcasting are complicated issues and there is a need of experience professionals and experts to understand and find solution to all the challenges and to resolve the legacy. More importantly, we need qualified persons to foresee the problems so that regulations can be set up before the problem become a menace, and at the time, needs to ensure that regulations are not future problems of itself. While expertise can be found within the commercial sectors having successful operations, there is always a potential conflict of interests and question of impartiality when these professionals are to be appointed as part of the committee members.

Summary

To conclude, in relating to the proposed Communications Authority, the following are the key points expressed by the Call Center Industry:

- In general, the industry is positive and supportive in the formation of the CA. There is an urgency to set up this CA to replace the current OFTA and BA. We are far behind many other competitive economies in this aspect. Hence it is very important to have a realistic timetable and implementation milestones.
- The selection of committee members on the CA is a concern. The government must consider the expertise and impartiality aspects in selecting the right members. The appropriate duration of service for each individual member should also be considered carefully.
- The new CA should have the responsibility not only on the regulatory part but also to work with the industry to promote the emerging businesses and to sustain the advantages of Hong Kong
- In drafting out the new regulations and ordinance to be in line with the evolving technology and code of practices, attention must be given to issues such as data privacy, freedom of speech and expression of mind sets, IP rights (especially in dealing with multi media information), code of ethics etc.