

Guidelines
on the Use of Public Payphone Kiosks
Established and Maintained by PCCW-HKT Telephone Limited
on Public Streets and Unleased Government Land
To Provide Public Wi-Fi Service

15 February 2008

Foreword

In Hong Kong, an operator which intends to provide public Wi-Fi service across public streets or unleased government land is required to hold a fixed carrier licence incorporated with the necessary special conditions for the provision of the relevant service.

2. At present, PCCW-HKT Telephone Limited (PCCW) has installed and maintained a number of payphone kiosks on public streets and unleased Government land under a block licence issued by Director of Lands (“block licence”) for providing public payphone service. Other fixed network operators (FNOs) who intend to deploy PCCW’s payphone kiosks for the provision of public Wi-Fi service may seek PCCW’s agreement to do so on a commercial basis. They will then seek the formal authorization of the Telecommunications Authority (TA) to use the payphone kiosks after commercial agreement with PCCW has been reached. For these purposes, they shall observe, follow and comply with the procedure as stated in these guidelines.

3. FNOs shall pay PCCW for the reasonable charges on any works carried out by PCCW at their request in connection with the Wi-Fi installations as well as electricity supplied by PCCW. In addition, FNOs which are authorized by the TA to use PCCW’s payphone kiosks for the provision of public Wi-Fi service are required to pay a fee which will be used to reduce the universal service contribution (USC) for maintaining the universal service obligation of PCCW. The level of the fee is determined by the TA and may be reviewed and revised as and when necessary.

4. For any further information and enquiry regarding this document or related issues, please contact:

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Office of the Telecommunications Authority
29/F., Wu Chung House,
213 Queen's Road East,
Wanchai, Hong Kong
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1. General

1.1 This document sets out the procedure for FNOs authorized by the TA for application to PCCW with regard to the use of PCCW's payphone kiosks for the installation of Wi-Fi equipment.

1.2 In this document,

- (a) "Kiosk Owner" means PCCW being a FNO which owns, establishes and maintains the payphone kiosks;
- (b) "List" means the list of payphone kiosks available for application by FNOs for Wi-Fi equipment installation. The List is published in OFTA's web site and will be updated from time to time;
- (c) "Service" means the public Wi-Fi service where the associated equipment are installed in payphone kiosks on public streets and unleased government land;
- (d) "Service Operator" means any FNO which has installed or which is duly authorized by the TA to install Wi-Fi equipment at the payphone kiosks.

1.3 Without limiting or affecting in any way and in any condition of their respect licence, the guidelines shall be observed by the Kiosk Owner and the Service Operator.

1.4 The Kiosk Owner shall use all reasonable endeavours to provide Service Operator access to facilities at the payphone kiosks promptly and efficiently and at reasonable and fair compensation to the Kiosk Owner so that any Service Operator can install its own Wi-Fi equipment for the provision of the Service.

1.5 In relation to the provision of access to facilities such as space and electricity supply at the payphone kiosks, the Kiosk Owner shall not unduly discriminate any Service Operator seeking to provide the Service and should negotiate in good faith and use all reasonable endeavours to reach and enter into agreement on access to facilities with the Service Operator.

2. Application Procedure

2.1 A Service Operator which intends to make use of the payphone

kiosks given in the List for Wi-Fi installations shall apply direct to the Kiosk Owner together with a plan containing the required information in Appendix 1.

2.2 The Service Operator shall send the plan to the Kiosk Owner at the following address:

General Manger, Regulatory Affairs
PCCW-HKT Telephone Limited
40/F, PCCW Tower, TaiKoo Place,
979 King's Road, Quarry Bay,
Hong Kong

and copy the same to OFTA at the following address:

Telecommunications Engineer (Regulatory 12)1
Office of the Telecommunications Authority
29/F., Wu Chung House,
213 Queen's Road East,
Wanchai, Hong Kong

2.3 The Kiosk Owner shall acknowledge receipt of the plan submitted in paragraph 2.2 within 3 business days. The Kiosk Owner and Service Operator shall exchange necessary information concerning the proposed Wi-Fi equipment to be installed at the relevant payphone kiosks. The Kiosk Owner shall assess the plan submitted and negotiate in good faith with the Service Operator on the technical details of the installation, maintenance and use of payphone kiosk facilities (such as electricity supply), the work procedure for equipment installations, the commercial terms as well as other pertinent terms and conditions. The Kiosk Owner shall use its best endeavours to reach and enter into agreement with the Service Operator within a reasonable timeframe.

2.4 The Kiosk Owner shall inform OFTA as soon as it has entered into commercial agreement with the Service Operator and it shall provide OFTA with a list of the payphone kiosks that will be used by that particular Service Operator. The TA will follow up and give his authorization to the Service Operator for the installation of Wi-Fi equipment in the payphone kiosks concerned.

2.5 In case the Service Operator and Kiosk Owner are unable to agree within a reasonable time on any relevant terms and conditions for use of the payphone kiosks, the matter at issue may be referred to the TA for determination.

3. Charges and Universal Service Contribution

3.1 A Service Operator shall contribute a fee for the reduction of universal service contribution (USC) for its use of each payphone kiosk for the Service authorized by the TA. The amount of fee is determined by the TA according to the fair market rate. The current rate of using a payphone kiosk for the provision of the Service is \$130 per month per payphone kiosk. The TA will review and revise the market rate as and when necessary.

3.2 The Service Operator shall start its fee contribution towards universal service funds on the same date when the TA gives his authorization to use the payphone kiosks for the Service (please see paragraph 2.4 above). The contribution for an incomplete month will be calculated on a pro-rata basis by reference to the current monthly rate of \$130 or any new rate subsequently adopted by the TA. The Service Operator should pay the fee to PCCW direct and PCCW will report annually to OFTA the total fees collected in each calendar year period. This amount will be deducted from the total costs for the provision of universal service.

3.3 The Service Operator may at its discretion and own commercial decision and without prejudice to the application of the Guidelines entrust to Kiosk Owner work related to the installation, operation and maintenance of the Wi-Fi facilities for the Service and if so, it shall pay the Kiosk Owner reasonable and appropriate charges to cover the expenses incurred by the Kiosk Owner in relation thereto. The Service Operator shall also pay for electricity supplied by the Kiosk Owner. Other than these and the fee mentioned in paragraph 3.1 above, no other money shall be payable by the Service Operator to the Kiosk Owner for the use of the payphone kiosks.

4. Installation and Maintenance of the Access Point

4.1 The Service Operator shall follow reasonable requirements of the Kiosk Owner when it installs equipment in the payphone kiosks such that

the normal operation of the public payphone service will not be adversely affected. The Service Operator shall ensure that the equipment installation at the respective payphone kiosk will not cause damage to the payphone kiosk, the payphone or other facilities of the Kiosk Owner.

5. Information Update to OFTA

5.1 The Service Operator shall provide updates to OFTA about its Wi-Fi hotspot installations at the payphone kiosks via the online service for “Update Location Information of Wi-Fi Access Points” at http://apps.ofta.gov.hk/apps/clar/content/lic_login.asp?language=english. The Service Operator shall inform the Kiosk Owner and OFTA as soon as its stops using an approved payphone kiosk for the Service so that OFTA may update the List in respect of any released payphone kiosks and reconcile the calculation of the USC fees.

Appendix 1: Information to be provided by the Service Operator

- (a) Technical details of the access point
 - i. Technical parameters of the access point to be deployed, including the technical standard, frequency band and transmitter power
 - ii. Physical dimensions and weight of the equipment
 - iii. Electricity requirement including the power consumption
- (b) a list of payphone kiosk(s) (together with the Kiosk ID and address) to be applied for
- (c) Proposed installation plan and installation method
- (d) Proposed implementation schedule