

**Telecommunications Authority's Decision
on Requests for Extension of Consultation Period for the
"Review of Local Access Charge" Consultation Paper
("LAC Consultation Paper") issued on 31 December 2009**

Introduction

On 26 February and 1 March 2010, the Telecommunications Authority ("TA") received requests from two operators for an extension of the consultation period by three months for the LAC Consultation Paper (the "Request").

2. The reasons given for the Request are:
 - (a) more time is required to consider the options set out in the LAC Consultation Paper;
 - (b) commercial negotiation among a number of operators is in progress in respect of the overall interconnection charging framework, including LAC; and
 - (c) input from consultants on the proposed options needs to be sought.

3. On 2 March 2010, the TA published a consultation paper to seek views from the industry on the Request. Ten submissions¹ were received from the following interested parties:
 - (a) China Mobile Hong Kong Company Limited ("China Mobile")
 - (b) CSL Limited ("CSL")
 - (c) ec Telecom Limited ("ec Telecom")
 - (d) Hong Kong Telecommunications (HKT) Limited ("HKT")
 - (e) Hong Kong Broadband Network Limited ("HKBN")
 - (f) PCCW-HKT Telephone Limited ("PCCW-HKT")
 - (g) PCCW Global (HK) Limited ("PCCW Global")
 - (h) SmarTone Mobile Communications Limited ("Smartone")
 - (i) The Society of Hong Kong External Telecommunications Services Providers Limited ("ETS Society")
 - (j) Wharf T&T Limited ("WT&T")

¹ <http://www.ofta.gov.hk/en/report-paper-guide/paper/consultation/20100305/table.html>

4. In summary, HKT, PCCW Global, PCCW-HKT and WT&T support the Request. However, China Mobile, CSL, ETS Society, HKBN and Smartone do not support the Request and consider that any extension of the consultation period should only range from one week to one month.

Decision of the TA

5. Having considered the submissions of the industry, and having been satisfied that reasonable opportunities have been given to the interested parties in respect of their views on the Request, the TA decides that the consultation period for the LAC Consultation Paper will be extended for **one month until 9 April 2010**. The TA is satisfied that an extension of one month is reasonable and proportionate in all circumstances of the case based on the following considerations:-

- (a) After the extension, the industry will have more than 3 months' time to study the issues raised in the LAC Consultation Paper. There should be sufficient time for interested parties to make meaningful submissions including seeking inputs from external consultants. As a matter of fact, the TA expressed his intention to review the LAC regime as early as May 2009 and OFTA subsequently held informal discussions with the industry on the subject. The industry should have had sufficient advance notice regarding the LAC review;
- (b) The close of the consultation period should not have any adverse impact on the ongoing commercial negotiations among operators in respect of the overall interconnection charging framework including LAC; and
- (c) The consultation is an industry-wide review on the LAC regime. Given that only some individual operators are involved in the above-mentioned commercial negotiation, it would not be appropriate to prolong the LAC review for a long period of time.

6. All submissions to the LAC Consultation Paper should be made in writing and should reach OFTA, preferably in electronic form, on or before **9 April 2010**.

Office of the Telecommunications Authority
5 March 2010