

# **IMPLEMENTATION OF LOCAL ACCESS CHARGE AND MODIFIED DELIVERY FEE ARRANGEMENTS**

## **Statement of the Telecommunications Authority Hong Kong**

**28 February 2000**

### **Introduction**

On 19 February 2000, the Office of the Telecommunications Authority (“OFTA”) issued an industry consultation paper to invite representations (“the Consultation Paper”) on a proposal for making a determination under section 36A of the Telecommunication Ordinance on:

- (a) the gateway prices which the local network operators have to pay Cable & Wireless HKT FTNS<sup>1</sup> (“CWHKT FTNS”) for delivering the relevant traffic in the outgoing direction over Category B routes; and
- (b) the delivery fees which CWHKT FTNS has to pay the operator of the terminating network for handling the incoming traffic over Category B routes.

2. The proposed determination was made at the request of CWHKT FTNS to reflect new accounting rates that the company had agreed with overseas administrations and carriers recently. Interested parties were invited to submit representations by 25 February 2000

3. A total of two (2) responses were received from SmarTone Mobile Communications Limited (“SmarTone”) and CWHKT FTNS. SmarTone supported the proposed determination of the Telecommunications Authority (TA). Though CWHKT FTNS raised concerns about the accounting rates of the Mainland China routes used

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<sup>1</sup> Cable & Wireless HKT FTNS means the group of companies comprising Cable & Wireless HKT International Limited, Cable & Wireless HKT Telephone Company Limited and Cable & Wireless HKT CAS Limited holding the Fixed Telecommunication Network Services Licence.

for the determination and the exchange rates for HK\$:SDR used for the determination having been kept unchanged for more than a year. However, it did not object to the gateway prices and delivery rates proposed by the TA in the Consultation Paper.

4. The TA is fully aware of the issues highlighted in the response of CWHKT FTNS and would solicit views and opinion in an industry consultation to be conducted in the near future

### **Determination**

5. The TA, in exercise of his power under section 36A of the Telecommunication Ordinance, *having been satisfied* that the parties concerned (i.e. CWHKT FTNS, other fixed telecommunication network services operators and external telecommunications services providers) have been afforded reasonable opportunity in accordance with section 36A(4) of the Telecommunication Ordinance to make representations to him as to why a determination should not be made, and *having considered* the views expressed by the respondents to the Consultation Paper, makes the determination as annexed to this statement.

**Office of the Telecommunications Authority**

28 February 2000

## ANNEX

### TELECOMMUNICATION ORDINANCE (CAP. 106)

#### DETERMINATION UNDER SECTION 36A

#### Background

1. On 30 December 1998, the Telecommunications Authority (TA) made a determination (“1998 Determination”) under section 36A of the Telecommunication Ordinance on:

- (a) the gateway prices which the local network operators have to pay Cable & Wireless HKT FTNS<sup>2</sup> (“CWHKT FTNS”) for delivering the relevant traffic in the outgoing direction over Category B routes; and
- (b) the delivery fees which CWHKT FTNS has to pay the operator of the terminating network for handling the incoming traffic over Category B routes.

2. The 1998 Determination was made public as Annex 1 of the TA Statement entitled "Implementation of Local Access Charge and Modified Delivery Fee Arrangements" issued on 30 December 1998, and a list of the determined gateway prices and delivery fees was attached to the 1998 Determination as Schedules 1 and 2 respectively.

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<sup>2</sup> Cable & Wireless HKT FTNS means the group of companies comprising Cable & Wireless HKT International Limited, Cable & Wireless HKT Telephone Company Limited and Cable & Wireless HKT CAS Limited holding the Fixed Telecommunication Network Services Licence.

3. In the 1998 Determination, it is stipulated that that the TA may from time to time revise the two schedules, taking into account, among other things, changes in the international accounting rates. The revised Schedules will be notified to the relevant licensees and published on the Web site of the Office of the Telecommunications Authority ("OFTA"). In accordance with this procedure, the two schedules were revised through a determination on 19 August 1999 to cater for changes to the international accounting rates over a number of routes.

4. On 4 August 1999 the TA issued a TA Statement entitled "Reclassification of Category B Routes on the Observation List" in which the TA concluded that for the ten routes of India, Indonesia, Malaysia, Pakistan, Philippines, Singapore, South Africa, Sri Lanka, Taiwan and Thailand, the TA would remove the control of the gateway prices in the outgoing direction as if the routes have been reclassified to Category A whilst CWHKT FTNS would be required to pay delivery fees to other local network operators determined by the TA in the incoming direction for these routes in the same way as other Category B routes. The TA put this into effect by making a direction to CWHKT FTNS on 8 September 1999.

### **Determination**

5. Following the worldwide trend of lower accounting rates, Cable & Wireless HKT International Ltd. has reached agreements with overseas administrations/carriers to lower the accounting rates of certain routes. A list of these routes is at Schedule 1. As both the gateway price and the delivery fee are dependent on the accounting rate, the TA considers it necessary to revise the gateway prices and the delivery fees determined on 30 December 1998 to reflect the changes. The revised gateway prices and delivery fees are given at Schedules 2 and 3 respectively. The revised rates are based on the same formulae adopted in the 1998 Determination for the calculation of gateway prices and delivery fees and the only differences are the outpayment/inpayment rates that are based on the new settlement agreements with overseas administrations/carriers.

6. The revised gateway prices and delivery fees will come into effect on **1 March 2000**.

7. This determination will be made public and be posted on OFTA Web site.

(Anthony WONG Sik-kei )  
Telecommunications Authority

Date: 28 February 2000

**Schedule 1**

**Countries/territories which have lowered  
the accounting rates with Hong Kong**

Countries/territories	Gateway Price (HK\$/min)		Delivery Fee (HK\$/min)	
	Existing Rate	Revised Rate	Existing Rate	Revised Rate
Argentina	3.13	2.45	1.37	1.03
Brunei Darussalam	3.39	1.83	1.50	0.72
China (Shenzhen & Shekou)	1.46	1.41	0.54	0.52
China (Guangdong)	2.68	2.14	0.55	0.41
China (Rest)	3.18	2.56	0.67	0.52
Czech Rep	2.35	1.67	0.98	0.65
Hungary	1.83	1.62	0.72	0.62
India <i>(note 1)</i>	-	-	2.75	2.46
Indonesia <i>(note 1)</i>	-	-	1.55	1.42
Jordan	5.46	4.11	2.54	1.87
Korea DPR <i>(standard)</i>	5.67	5.67	2.63	2.63
Korea DPR <i>(off-Peak)</i>	4.47	4.47	2.03	2.03
Lao	6.19	5.57	2.90	2.59
Mauritius	5.46	4.94	2.54	2.28
Mexico	2.76	1.93	1.19	0.77
Myanmar	5.67	5.67	2.63	2.63
Panama	4.42	3.70	2.02	1.66
Paraguay	5.46	3.91	2.54	1.76
Philippines <i>(note 1)</i>	-	-	1.11	0.72
Poland	2.97	1.83	1.29	0.72
Portugal	2.35	1.83	0.98	0.72
Saudi Arabia	5.46	4.42	2.54	2.02
Singapore <i>(note 1)</i>	-	-	0.52	0.33
Sri Lanka <i>(note 1)</i>	-	-	2.15	2.02
Turkey	8.58	4.42	4.10	2.02

*Note 1: Gateway prices of these countries/territories are no longer determined by the TA.*

**HKT FTNS Gateway Prices for Category B Routes**

<b>Routes</b>	<b>HKT FTNS Gateway Prices</b>
Albania	HKD 5.15
Algeria	HKD 7.64
American Samoa	HKD 7.64
Andorra	HKD 1.31
Angola	HKD 5.15
Anguilla	HKD 10.24
Antarctica	HKD 9.20
Antigua & Barbuda	HKD 10.24
Argentina	HKD 2.45
Armenia	HKD 11.69
Aruba	HKD 7.35
Ascension	HKD 7.64
Azerbaijan	HKD 8.68
Bahamas	HKD 8.89
Bahrain	HKD 3.39
Bangladesh	HKD 7.17
Barbados	HKD 7.64
Belarus	HKD 7.64
Belize	HKD 8.63
Benin	HKD 10.76
Bermuda	HKD 3.39
Bhutan	HKD 7.64
Bolivia	HKD 9.24
Bosnia & Herzegovina	HKD 7.64
Botswana	HKD 5.15
Brazil	HKD 1.83
Brunei Darussalam	HKD 1.83
Bulgaria	HKD 7.64
Burkina Faso	HKD 10.93
Burundi	HKD 5.15
Cambodia	HKD 5.67
Cameroon	HKD 12.63
Cape Verde Is	HKD 7.64
Cayman Is	HKD 7.64
Central African Rep	HKD 10.66
Chad	HKD 11.59
Chile	HKD 6.50
China (Shenzhen & Shekou)	HKD 1.41
China (Guangdong)	HKD 2.14
China (Rest)	HKD 2.56
Colombia	HKD 7.13
Comoros Is	HKD 7.64
Congo Rep	HKD 12.63
Cook Is	HKD 9.98
Costa Rica	HKD 5.15
Cote D'Ivoire Rep	HKD 10.93
Croatia	HKD 7.64
Cuba	HKD 9.72
Cyprus	HKD 2.35
Czech Rep	HKD 1.67
Diego Garcia	HKD 12.15

**Schedule 2**

<b>Routes</b>	<b>HKT FTNS Gateway Prices</b>
Djibouti	HKD 12.63
Dominica	HKD 8.68
Dominican Rep	HKD 9.91
Ecuador	HKD 12.84
Egypt	HKD 6.19
El Salvador	HKD 12.84
Equatorial Guinea	HKD 7.64
Eritrea	HKD 10.92
Estonia	HKD 9.20
Ethiopia	HKD 14.33
Falkland Is	HKD 7.64
Faroes Is	HKD 5.83
Fiji	HKD 8.89
French Polynesia	HKD 8.06
Gabon	HKD 9.72
Gambia	HKD 7.64
Georgia	HKD 8.68
Ghana	HKD 7.64
Gibraltar	HKD 9.20
Greece	HKD 1.31
Greenland	HKD 5.83
Grenada	HKD 8.68
Guam	HKD 1.31
Guatemala	HKD 15.14
Guinea Bissau	HKD 15.33
Guinea Rep	HKD 8.68
Guyana	HKD 11.07
Haiti	HKD 10.18
Honduras	HKD 7.39
Hungary	HKD 1.62
Iceland	HKD 2.45
India	-
Indonesia	-
Iran	HKD 7.54
Iraq	HKD 12.63
Iridium Country Code 8816	HKD 16.05
Iridium Country Code 8817	HKD 22.48
Israel	HKD 1.41
Jamaica	HKD 9.72
Jordan	HKD 4.11
Kazakhstan	HKD 7.64
Kenya	HKD 5.46
Kiribati	HKD 12.63
Korea DPR (standard)	HKD 5.67
Korea DPR (off-Peak)	HKD 4.47
Kuwait	HKD 8.68
Kyrgyzstan	HKD 10.24
Lao	HKD 5.57
Latvia	HKD 2.45
Lebanon	HKD 16.02
Lesotho	HKD 7.64
Liberia	HKD 6.61
Libya	HKD 12.63
Lithuania	HKD 8.84

**Schedule 2**

<b>Routes</b>	<b>HKT FTNS Gateway Prices</b>
Macau (standard)	HKD 1.47
Macau (off-Peak)	HKD 1.46
Macedonia	HKD 2.35
Madagascar	HKD 8.68
Malawi	HKD 7.64
Malaysia	-
Maldives	HKD 1.83
Mali	HKD 12.63
Malta	HKD 3.44
Mariana Is	HKD 1.36
Marshall Is	HKD 12.81
Mauritania	HKD 12.63
Mauritius	HKD 4.94
Mexico	HKD 1.93
Micronesia	HKD 8.36
Moldova	HKD 10.24
Monaco	HKD 5.15
Mongolia Pr	HKD 5.36
Montserrat	HKD 10.24
Morocco	HKD 7.54
Mozambique	HKD 7.64
Myanmar	HKD 5.67
Nakhodka	HKD 3.39
Namibia	HKD 7.13
Nauru	HKD 7.64
Nepal	HKD 5.36
Netherlands Antilles	HKD 7.59
New Caledonia	HKD 11.80
Nicaragua	HKD 11.07
Niger	HKD 9.20
Nigeria	HKD 5.46
Niue Is	HKD 9.24
Norfolk Is	HKD 8.68
Oman	HKD 7.64
Pakistan	-
Palau	HKD 10.29
Panama	HKD 3.70
Papua New Guinea	HKD 4.42
Paraguay	HKD 3.91
Peru	HKD 2.87
Philippines	-
Poland	HKD 1.83
Portugal	HKD 1.83
Qatar	HKD 4.42
Romania	HKD 7.64
Russia - Astelit	HKD 12.63
Russia - BCL	HKD 9.76
Russia - Combellga	HKD 7.64
Russia - Comstar	HKD 12.63
Russia - DALTelecom	HKD 12.63
Russia - Rostelecom	HKD 5.46
Russia - Tatarstan	HKD 12.63
Russia - VostokTelecom	HKD 12.63
Rwanda Rep	HKD 12.63

**Schedule 2**

<b>Routes</b>	<b>HKT FTNS Gateway Prices</b>
Sakhalin	HKD 3.39
Sao Tome & Principe	HKD 12.84
Saudi Arabia	HKD 4.42
Senegal	HKD 7.64
Seychelles	HKD 3.65
Sierra Leone	HKD 9.93
Singapore	-
Slovak Rep	HKD 6.09
Slovenia	HKD 7.64
Solomon Is	HKD 4.42
Somali Rep	HKD 17.72
South Africa	-
Sri Lanka	-
St Helena	HKD 7.64
St Kitts & Nevis	HKD 10.24
St Lucia	HKD 9.20
St Vincent & Grenadines	HKD 7.64
Sudan	HKD 7.64
Suriname	HKD 15.14
Swaziland	HKD 7.64
Syria	HKD 9.20
Taiwan	-
Tajikistan	HKD 10.76
Tanzania	HKD 6.61
Thailand	-
Togolese Rep	HKD 10.93
Tonga	HKD 4.68
Trinidad & Tobago	HKD 11.07
Tunisia	HKD 17.72
Turkey	HKD 4.42
Turkmenistan	HKD 10.76
Turks & Caicos	HKD 8.68
Tuvalu Is	HKD 12.84
U.A.E.	HKD 2.87
Uganda	HKD 2.24
Ukraine	HKD 4.01
Uruguay	HKD 6.61
Uzbekistan	HKD 6.09
Vanuatu	HKD 5.46
Venezuela	HKD 8.74
Vietnam	HKD 5.67
Virgin Is (British)	HKD 10.24
Virgin Is (US)	HKD 0.79
Wallis and Futuna	HKD 12.84
Western Samoa	HKD 10.93
Yemen Rep	HKD 7.02
Yugoslavia	HKD 2.87
Zambia	HKD 5.57
Zimbabwe	HKD 3.39

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**Delivery Fees for Category B Routes**

<b>Routes</b>	<b>Delivery Fees</b>	
Albania	HKD	0.20
Algeria	HKD	1.45
American Samoa	HKD	1.45
Andorra	HKD	0.20
Angola	HKD	0.20
Anguilla	HKD	2.75
Antarctica	HKD	2.23
Antigua	HKD	2.75
Argentina	HKD	1.03
Armenia	HKD	3.38
Aruba	HKD	1.21
Ascension Is	HKD	1.45
Azerbaijan	HKD	1.97
Bahamas	HKD	2.07
Bahrain	HKD	1.50
Bangladesh	HKD	3.39
Barbados	HKD	1.45
Belarus	HKD	1.45
Belize	HKD	1.85
Benin	HKD	3.01
Bermuda	HKD	1.50
Bhutan	HKD	1.45
Bolivia	HKD	2.25
Bosnia & Herzegovina	HKD	1.45
Botswana	HKD	0.20
Brazil	HKD	0.72
Brunei Darussalam	HKD	0.72
Bulgaria	HKD	1.45
Burkina Faso	HKD	3.10
Burundi	HKD	0.20
Cambodia	HKD	2.63
Cameroon	HKD	3.94
Cape Verde Is	HKD	1.45
Cayman Is	HKD	1.45
Central African Rep	HKD	2.96
Chad	HKD	3.42
Chile	HKD	1.50
China (Shenzhen & Shekou)	HKD	0.52
China (Guangdong)	HKD	0.41
China (Rest)	HKD	0.52
Colombia	HKD	1.19
Comoros	HKD	1.45
Congo	HKD	3.94
Cook Is	HKD	2.62
Costa Rica	HKD	0.20
Cote D'Ivoire Rep	HKD	3.10
Croatia	HKD	1.45
Cuba	HKD	2.49
Cyprus	HKD	0.98
Czech Rep	HKD	0.65
Diego Garcia	HKD	3.61

**Schedule 3**

<b>Routes</b>	<b>Delivery Fees</b>	
Djibouti	HKD	3.94
Dominica	HKD	1.97
Dominican Rep	HKD	2.49
Ecuador	HKD	4.05
Egypt	HKD	2.90
El Salvador	HKD	4.05
Equatorial Guinea	HKD	1.45
Eritrea	HKD	3.09
Estonia	HKD	2.23
Ethiopia	HKD	4.79
Falkland Is	HKD	1.45
Faroes Is	HKD	0.54
Fiji	HKD	4.25
French Polynesia	HKD	3.84
Gabon	HKD	2.49
Gambia	HKD	1.45
Georgia	HKD	1.97
Ghana	HKD	1.45
Gibraltar	HKD	2.23
Greece	HKD	0.46
Greenland	HKD	0.54
Grenada	HKD	1.97
Guam	HKD	0.46
Guatemala	HKD	5.10
Guinea Bissau	HKD	5.29
Guinea Rep	HKD	1.97
Guyana	HKD	3.16
Haiti	HKD	2.62
Honduras	HKD	1.23
Hungary	HKD	0.62
Iceland	HKD	0.72
India	HKD	2.46
Indonesia	HKD	1.42
Iran	HKD	3.58
Iraq	HKD	3.94
Iridium Country Code 8816	HKD	0.98
Iridium Country Code 8817	HKD	0.98
Israel	HKD	0.52
Jamaica	HKD	2.49
Jordan	HKD	1.87
Kazakhstan	HKD	1.45
Kenya	HKD	2.54
Kiribati	HKD	3.94
Korea DPR (standard)	HKD	2.63
Korea DPR (off-peak)	HKD	2.03
Kuwait	HKD	1.97
Kyrgyzstan	HKD	2.75
Lao	HKD	2.59
Latvia	HKD	0.57
Lebanon	HKD	5.64
Lesotho	HKD	1.45
Liberia	HKD	0.93
Libya	HKD	3.94
Lithuania	HKD	2.05

**Schedule 3**

<b>Routes</b>	<b>Delivery Fees</b>	
Macau (standard)	HKD	0.53
Macau (off-Peak)	HKD	0.53
Macedonia	HKD	0.72
Madagascar	HKD	1.97
Malawi	HKD	1.45
Malaysia	HKD	1.11
Maldives	HKD	0.72
Mali	HKD	3.94
Malta	HKD	0.72
Mariana Is	HKD	0.49
Marshall Is	HKD	3.94
Mauritania	HKD	3.94
Mauritius	HKD	2.28
Mexico	HKD	0.77
Micronesia	HKD	1.71
Moldova	HKD	2.75
Monaco	HKD	0.20
Mongolia	HKD	2.49
Montserrat	HKD	2.75
Morocco	HKD	1.40
Mozambique	HKD	1.45
Myanmar	HKD	2.63
Nakhodka	HKD	1.50
Namibia	HKD	1.19
Nauru	HKD	1.45
Nepal	HKD	2.49
Netherlands Antilles	HKD	1.42
New Caledonia	HKD	3.53
Nicaragua	HKD	3.16
Niger	HKD	2.23
Nigeria	HKD	2.54
Niue Is	HKD	2.25
Norfolk Is	HKD	1.97
Oman	HKD	1.45
Pakistan	HKD	3.84
Palau	HKD	2.68
Panama	HKD	1.66
Papua New Guinea	HKD	2.02
Paraguay	HKD	1.76
Peru	HKD	1.24
Philippines	HKD	0.72
Poland	HKD	0.72
Portugal	HKD	0.72
Qatar	HKD	2.02
Romania	HKD	1.45
Russia - Astelit	HKD	3.94
Russia - BCL	HKD	2.51
Russia - Combellga	HKD	1.45
Russia - Comstar	HKD	3.94
Russia - DALTelecom	HKD	3.94
Russia - Rostelecom	HKD	2.54
Russia - Tatarstan	HKD	3.94
Russia - VostokTelecom	HKD	3.94
Rwanda	HKD	3.94

<b>Routes</b>	<b>Delivery Fees</b>	
Sakhalin	HKD	1.50
Sao Tome & Principe	HKD	4.05
Saudi Arabia	HKD	2.02
Senegal	HKD	1.45
Seychelles	HKD	1.63
Sierra Leone	HKD	2.59
Singapore	HKD	0.33
Slovak Rep	HKD	0.67
Slovenia	HKD	1.45
Solomon Is	HKD	2.02
Somali Rep	HKD	6.49
South Africa	HKD	0.98
Sri Lanka	HKD	2.02
St Helena	HKD	1.45
St Kitts & Nevis	HKD	2.75
St Lucia	HKD	2.23
St Vincent & Grenadines	HKD	1.45
Sudan	HKD	1.45
Suriname	HKD	5.10
Swaziland	HKD	1.45
Syria	HKD	2.23
Taiwan	HKD	0.59
Tajikistan	HKD	3.01
Tanzania	HKD	0.93
Thailand	HKD	1.24
Togolese Rep	HKD	3.10
Tonga	HKD	2.15
Trinidad & Tobago	HKD	3.16
Tunisia	HKD	6.49
Turkey	HKD	2.02
Turkmenistan	HKD	3.01
Turks & Caicos	HKD	1.97
Tuvalu	HKD	4.05
U.A.E.	HKD	1.24
Uganda	HKD	0.67
Ukraine	HKD	1.50
Uruguay	HKD	0.93
Uzbekistan	HKD	0.67
Vanuatu	HKD	2.54
Venezuela	HKD	4.18
Vietnam	HKD	2.63
Virgin Is (British)	HKD	2.75
Virgin Is (US)	HKD	0.20
Wallis and Futuna	HKD	4.05
Western Samoa	HKD	3.10
Yemen Rep	HKD	3.32
Yugoslavia	HKD	1.24
Zambia	HKD	0.41
Zimbabwe	HKD	1.50

**28 February 2000**