

**Interconnection and Related Competition Issues
Applicability of Statement No. 7 (Second Revision)
Issued on 18 March 2002
to Broadband Interconnection**

**Statement of the Telecommunications Authority
18 June 2002**

The Telecommunications Authority (TA) has received representations from PCCW-HKT Telephone Limited that it had not been consulted on the applicability of the costing methodology in TA Statement No. 7 (Second Revision) issued on 18 March 2002 to broadband interconnection. Although it was the original intention of the TA that the costing methodology in TA Statement No. 7 (Second Revision) should apply to Type II interconnection to copper-based local loops for both narrowband and broadband interconnection (paragraph 56 of the TA Statement No. 7 (Second Revision)), he accepts that this intention was not explicitly stated at the start of the consultation procedure. For that reason, some of the parties consulted may not have been aware that the TA was inviting comments on the charging principles applicable to broadband as well as narrowband interconnection. Consequently the TA has decided that he will not refer to the costing methodology in the TA Statement No. 7 (Second Revision) issued on 18 March 2002 when making determinations on Type II interconnection to copper-based local loops for broadband services.

2. Instead, the TA will consider representations from the parties concerned in any such determinations, as he is obliged to do under the legislation. The TA will be minded to invite representations on the appropriate charging principles to be used in the particular determination proceedings. The TA will consider in due course whether there is a need to further revise Statement No. 7 to make it applicable to both broadband and narrowband interconnections, although the Statement on Broadband Interconnection issued on 14 November 2000 remains applicable.

**Office of the Telecommunications Authority
18 June 2002**