

Guideline on Availability and Provisioning of Blockwiring for Type II Interconnection

Statement of the Telecommunications Authority

28 July 2005

Introduction

On 21 April 2005, the Office of the Telecommunications Authority (“OFTA”) issued a consultation paper entitled “Availability and Provisioning of Blockwiring for Type II Interconnection” (“the Consultation Paper”). The purpose of the consultation is to invite views and comments on the proposed Guideline for Type II Interconnection at Point C (“the Proposed Guideline”) to be issued by the Telecommunications Authority (“TA”) under section 6D of the Telecommunications Ordinance (“the Ordinance”) on the principles and matters to be considered by the TA in making a determination under section 36A on terms and conditions of, or issuing a direction under section 36B to secure, an interconnection between, or to, blockwiring systems in a building or buildings within the same property development (Point C as indicated in the diagram in the Appendix).

2. A total of 6 submissions were received on or before 28 May 2005. They can be downloaded from OFTA’s website at www.ofta.gov.hk. The names of the respondents are given below:

- ◆ Hong Kong Broadband Network Limited (“HKBN”)
- ◆ Hong Kong Cable Television Limited (“HKCTV”)
- ◆ Hutchison Global Communications Limited (“HGC”)
- ◆ New World Telecommunications Limited (“NWT”)
- ◆ PCCW-HKT Telephone Limited (“PCCW-HKT”)
- ◆ Wharf T&T Limited (“WT&T”)

3. Having considered the submissions received, the TA sets out in this Statement his views and considerations on the issues raised in the consultation.

The Need for the TA to Issue the Guideline

4. Among the respondents, NWT, HGC, HKCTV and WT&T by and large lend their support to the issue of the Guideline as proposed by the TA. On the other hand, HKBN supports part of the Proposed Guideline regarding interconnection of horizontal blockwiring (H) but for vertical blockwiring (V), it proposes that interconnection should be granted on a case-by-case basis subject to a bottleneck assessment. PCCW-HKT holds the view that it is not necessary to specifically create a set of guidelines for Type II interconnection within buildings as the matters can be resolved through commercial negotiations and agreements.

5. While the TA concurs with PCCW-HKT that the industry should endeavour to resolve the issues concerning interconnection to blockwiring systems through commercial negotiations and agreements, he has received from time to time complaints about rejection of blockwiring service and requests for intervention concerning difficulties in accessing blockwiring systems. The TA also noted that PCCW-HKT also lodged many of these complaints or requests for intervention, in particular for new private housing estates, to OFTA in the past few years. The Guideline, if issued, merely provides the basic ground rules to facilitate commercial negotiations. Without these rules, commercial negotiations could be unnecessarily protracted and consumer complaints arose from time to time because of the delays in reaching commercial agreement for access to blockwiring. Despite the issue of the Guideline, TA's intervention will be a matter of last resort. Noting the general support received from the industry, the TA will proceed to issue the Guideline with a view to facilitating local fixed carriers to interconnect their networks within buildings. The issued Guideline ("the Guideline"), in its final form, is enclosed in the Annex of this Statement.

6. For the avoidance of doubt, the TA, in issuing the Guideline under section 6D of the Ordinance, is not purporting to, or intending to, exercise any of his powers or functions under any provision of sections 7K to 7N in relation to any person referred to or affected by the Guideline.

Application and Scope of the Guideline

7. HKBN suggests in its submission that the Guideline should cover interconnection to in-building coaxial cable distribution systems. However, the substance of the Guideline is concerning access to individual pairs of wiring in blockwiring systems and is largely inapplicable to point-to-multipoint in-building coaxial cable distribution systems. Interconnection to in-building coaxial cable distribution systems is separately dealt with in the “Guideline on Interconnection between In-Building Coaxial Cable Distribution Systems (“IBCCDS”)” dated 22 April 2005. Therefore, in-building optical fibres and coaxial cables will not be covered in the Guideline.

8. As stated in the Consultation Paper, the Guideline is applicable to all local fixed carriers and class licensees operating in-building telecommunications systems. The TA, in response to the clarification request from HKCTV, confirms that the local fixed carriers include the holders of fixed carrier licences and fixed telecommunications network services (“FTNS”) licences which provide local fixed network services.

9. PCCW-HKT suggests that the TA should keep and publish a comprehensive list of the class licensees providing blockwiring services on the ground that without the list, local fixed carriers will have difficulties to identify the blockwiring providers in buildings. The TA has addressed such issue in his statement “Class Licence for In-building Telecommunications Systems” dated 11 October 2002 (“the Statement for Class Licensees”) and provided an order of priority in the list of persons qualified as class licensees under the second schedule to the class licence. Against this schedule, local fixed carriers should be able to identify the class licensee for a particular building. So far, OFTA has not been advised of any insurmountable problem in identifying blockwiring providers. The TA is therefore not convinced that a list of class licensees for in-building telecommunications systems should be a prerequisite for implementation of the Guideline. The TA will, however, monitor the effectiveness of the Guideline, particularly the compliance by the class licensees, after it is issued.

10. WT&T does not agree with the TA that he should not intervene in buildings where there is more than one set of blockwiring systems

unless the requesting operator has been rejected by all blockwiring providers or it has failed to reach commercial agreement with any blockwiring provider of such a building. WT&T opines that the TA should intervene immediately if any blockwiring provider does not provide the required blockwiring which is available according to the criteria as set out in the Guideline. Contrary to the comment of WT&T, the TA has observed that almost all complaints on blockwiring service rejection and requests for intervention concerned difficulties in accessing in-building wiring relating to buildings with a single blockwiring system. It indicates that there is market competition in place for buildings with more than one blockwiring provider. Therefore, the TA maintains his view that he should not intervene unless there is market failure.

11. WT&T is of the view that the Guideline should be issued pursuant to section 36A(9) of the Ordinance which ensures compliance by the interconnecting parties without the need to go through the various steps involved with the determination or direction under section 36A and 36B of the Ordinance. Noting that section 36A(9) is only applicable to parties under an interconnection agreement, the TA considers that the proposal of WT&T is not feasible as not all blockwiring providers covered by the Guideline, in particular class licensees, are having interconnection agreements with local fixed carriers.

Definition of Vertical and Horizontal Blockwiring

12. NWT points out that the customer end of the vertical and horizontal blockwiring (V+H) may not only be terminated at a modular socket, but also at sub-local or interconnection point (IP) box under certain circumstances. WT&T suggests that the termination at the customer premises can be in the form of, but should not be limited to, any modular socket, any termination block, coiling of wire inside a modular socket or free laid wire without termination. Acting on the operational experience of the local fixed carriers, the TA has elaborated on the meaning of “termination point” in the Guideline giving some commonplace examples of what constitutes a “termination point”.

13. PCCW-HKT does not agree that inter-links between buildings involving underground ducts and cables should be considered as a part of (V). Instead, it agrees that the wiring running along building structure from the common Telecommunications and Broadcasting Equipment Room (“TBE Room”) of the housing estate to the owner’s termination points in different building blocks on a common platform can be regarded as a part of (V). The TA considers that in a housing estate with scattered buildings and a common TBE Room, it would be reasonable to expect part of (V), being the inter-links connecting the common TBE Room to the owner’s termination points in individual building blocks of the same housing estate, to be laid in underground ducts as so as to minimize repeated road openings within the site boundary of that housing estate. However, any interlink laid across public roads or unleased government land would not be treated as part of the blockwiring system and falls outside the scope of this Guideline. The purpose and result of such treatment is consistent with the definition and application of in-building telecommunications systems stated in the Statement for Class Licensees.

Availability of (V), (H) and (V+H)

14. HKBN opines that there are genuine bottleneck problems for (H). The constraints include congestion in the conduit with the existing horizontal cables and difficulty in accessing the conduit concealed by decorations in common areas or inside the customer premises. As such, the request for (H) should warrant regulatory intervention. It is noted that HKBN’s comment is in line with the availability of (H) as described in the Guideline. WT&T submits that, if there is any in-situ (V+H) connected to the customer premises, (H) should be considered as available and be disaggregated from that (V+H) for interconnection upon the request for (H) from the requesting operator. The TA agrees to include the proposal of WT&T in the Guideline but it should be noted that such provision of (H) by disaggregating a (V+H) will be at the discretion of the blockwiring provider. If there is any operational reason preventing the blockwiring provider from doing so, it can offer that (V+H) in response to a request for (H) from the requesting operator. The provision of such an alternative solution enables the requesting operator to provide telecommunications services to its customers and is deemed

to have satisfied the requirement for Type II interconnection at Point C.

15. HKBN disagrees that the interconnection for (V) should be compellable as it has not encountered many bottleneck problems during the installation of its own (V) inside buildings. Rather, it argues that requesting operators should bear the burden of proof that the request for (V) is under a bottleneck situation. HKBN also opines that the blockwiring provider shall provide (V) on a case-by-case basis with the detailed justification submitted by the requesting operator subject to the satisfaction of the TA. The TA agrees that interconnection of (V) should be assessed on a case-by-case basis. OFTA has in the past few years received many consumer complaints and requests for regulatory intervention from local fixed carriers which required OFTA to mandate the blockwiring provider to provide interconnection of (V). This reflects to a certain extent that interconnection of (V) might be important to the provision of telecommunications services in some buildings.

16. PCCW-HKT is concerned that the disgregation of (V+H) to cope with a request for (V) is impractical and not a good industry practice. As the section “Provisioning of Blockwiring” of the Guideline already allows a blockwiring provider, owing to its operational reasons, to provide the requesting operator with a (V+H) as an alternative offer to the request of (V), the TA considers that such concern of PCCW-HKT has already been adequately addressed.

17. PCCW-HKT does not agree that (V) should be considered as available if they are found within lower and upper five (± 5) floors, and suggests that the sourcing of (V) within lower and upper three (± 3) floors as stated in the current issue (Issue 5) of the “Industry Code of Practice for the Interconnection of Broadband and Narrowband Local Access Links” (“LAL COP”) should be maintained. The TA considers that the increase in number of building floors is necessary and proportionate to the increasing number of high rise buildings having local boxes installed at every several building floors. The new sourcing rule in the Guideline would increase the chance of locating in-situ (V) for interconnection. As a matter of consistency, the TA will also make the corresponding revision in the next issue of LAL COP.

18. HGC supports the non-discriminatory treatment for porting and new customers as provided in paragraph 12 of the Guideline. It further recommends that when a customer switches his/her telephone service subscription from one operator to another, where both operators need to lease the blockwiring circuit from the same blockwiring provider, the blockwiring provider should implement appropriate arrangements to enable seamless cutover and avoid service interruption to that customer. The TA would like to clarify that the objective of the Guideline is to lay down the broad guiding principles only. The operational procedures should be left for detailed deliberation in the Local Access Link Forum or the Blockwiring Forum¹ (“BW Forum”) and will be not dealt with in the Guideline.

Availability of Blockwiring Interconnection Point

19. WT&T suggests that, when all existing verticals of the Main Distribution Frame (“MDF”) are occupied, the blockwiring provider should, upon the request of the requesting operator, install additional MDF vertical with tag blocks serving as blockwiring interconnection point (“BIP”). WT&T also proposes to incorporate the procedure for alternative BIP configuration which has been agreed in the BW Forum into the Guideline. Under the Type II interconnection policy, in-situ blockwiring facilities are subject to interconnection requirements from requesting operators. When existing facilities are exhausted, the requesting operator should consider entrusting the installation of additional BIP facilities to the blockwiring provider. The blockwiring provider, as entrusted by the requesting operator, should provide additional BIP facilities in a timely manner. Regarding the procedure for alternative BIP configuration, this will not be included in the Guideline because this will be a matter subject to refinement from time to time by the operators to suit the needs on a case-by-case basis.

20. PCCW-HKT suggests that the Guideline should address the return of surplus BIP resources by requesting operators in order to

¹ The members of the BW Forum include Wharf T&T Limited, New World Telecommunications Limited and CM Tel (HK) Limited. PCCW-HKT Telephone Limited, Hutchison Global Communications Limited, Hong Kong Broadband Network Limited, Towngas Telecommunications Fixed Network Limited and TraxComm Limited joined as observers.

effectively utilize the limited resources of in-building telecommunications facilities. The TA considers that such a proposal is acceptable if it will not unnecessarily cause inconvenience to consumers arising from repeated returns and applications of BIP facilities by requesting operators. To prevent this from happening, any surplus BIP resources should not be dismantled without the consent of the concerned requesting operators.

Reservation of Blockwiring

21. PCCW-HKT suggests that instead of having only one pair of (V) cables reserved in a local box, the blockwiring provider should be permitted to reserve two pairs of (V) per every 50 blockwiring pairs or three pairs of (V) per local box for maintenance and testing purpose, whichever is larger. The TA considers that it is reasonable to have the number of (V) cables reserved being proportional to the quantity of blockwiring pairs in a local box. The reservation rule in the Guideline is therefore revised taking into account of the proposal of PCCW-HKT and the fact that the number of (V) cables in a local box is usually in a multiple of 25 pairs. Such a revision should be acceptable to the industry as it merely enables a blockwiring provider to reserve a few pairs of (V) cables per local box for maintenance and testing purpose.

22. PCCW-HKT comments that the blockwiring provider should also be allowed to reserve blockwiring facilities to meet its own demand for up to eighteen months. Noting that a large quantity of service requests from end customers were rejected due to reservation of blockwiring facilities by blockwiring providers in the past few years, the TA considers the proposal of PCCW-HKT would possibly obstruct consumers from accessing service providers of their choice.

23. PCCW-HKT supplements that the blockwiring provider should be allowed to reserve blockwiring facilities against interference owing to deployment of different broadband technologies (e.g. xDSL) within the same cable binder. Since no complaint arising from such interference has been reported in the past, the TA considers that reservation of blockwiring facilities as a preventive measure for broadband interference could be used as a pretext to obstruct consumers from

accessing service providers of their choice.

24. While the TA is aware of the commercial interests of the blockwiring provider in reserving spare wiring for future demand and dealing with interference, such interests should be weighed against the public interest of enabling consumers to have access to services of their choice. Each case for reservation of spare wiring raised by the blockwiring provider will have to be decided on its own facts and merits. The TA considers that if the utilization of the blockwiring system in question is so intensive that there may not be sufficient number of spare pairs in the existing system to cater for future demand or to deal with interference that could arise in the future, he should consider the technical and economic feasibility of providing additional blockwiring systems in the building. The TA may without prejudice to the generality of the power exercisable under the Ordinance in directing access to the existing blockwiring system, do so on the condition that the interconnection be made immediately available for a specified period only. During this period, the operator requesting the blockwiring should investigate the feasibility of providing, and if feasible to provide, its own blockwiring in the building. The TA may or may not extend the period of directed interconnection after considering all relevant factors, including the technical and economic feasibility of providing additional blockwiring systems in the building and the effort made by the requesting operator in the provision during the specified period.

Provisioning of Blockwiring

25. PCCW-HKT points out that there will be many operational problems associated with the leasing of (H). Its operation support system will have difficulties to keep track of the actual availability status of (H) because (H) can easily be disconnected by residential customers during renovation or vacated by business customers or building management offices during office removal. Unlike interconnection of (V) or (V+H) in a TBE Room, there is no BIP-like frame providing a clear demarcation point for interconnection of (H) in a local box. Messy situations will inevitably appear and the cost of maintaining the services will increase with time. On the contrary,

WT&T disagrees that the provisioning of (V+H) as an alternative solution to a request for (V) or (H) is deemed to have satisfied the Type II interconnection requirement at Point C. WT&T only accepts such an arrangement if there is no local box to separate (V) and (H) parts of the blockwiring.

26. While the requesting operator may request interconnection at any point of the in-building system, the Guideline allows the blockwiring provider, taking into account technical feasibility and other operational reasons, to counter-propose another point to effect interconnection at in-building level, provided that such alternative offer is readily available and enables the requesting operator to provide its services to customers in the building in a timely manner. In view of the comments from PCCW-HKT and WT&T, the TA considers that such a provisioning arrangement as stipulated in the Guideline strikes a reasonable balance between the objective of encouraging investment in telecommunications infrastructure and the objective of promoting market competition.

The Issue of the Guideline

27. Having considered the comments and submissions from the industry regarding availability and provisioning of blockwiring for Type II interconnection, the TA, in exercise of the powers conferred upon him by section 6D of the Ordinance, issues the Guideline as annexed to this Statement.

Commercial Negotiation and Determination

28. Local fixed carriers and class licensees operating in-building telecommunications systems are encouraged to arrange for interconnection in the manner as set out in the Guideline. All concerned parties should negotiate the terms and conditions including the charges on a commercial basis. If no commercial agreement can be reached between the concerned parties, they may request the TA to make a determination. In case there is any dispute, they may seek assistance from OFTA for dispute resolution. Alternatively, either party may make

a request to the TA to make a determination under section 36A of the Ordinance.

Office of the Telecommunications Authority
28 July 2005

Guideline for Type II Interconnection at Point C¹

Application and Scope of the Guideline

1. Section 36A of the Telecommunications Ordinance (“the Ordinance”) empowers the Telecommunications Authority (“TA”) to determine the terms and conditions of interconnection of a type mentioned in section 36A(3D). According to section 36A(3), the terms and conditions in a determination may include any technical, commercial and financial terms and conditions that the TA considers fair and reasonable.

2. Under section 36B, the TA may issue directions requiring licensees to take such action as the TA considers necessary in order for the licensee to, inter alia, in relation to any interconnection of the type mentioned in section 36A(3D), secure the connection of any telecommunications service to any other telecommunications service licensed under the Ordinance.

3. Without prejudice to the powers of the TA under sections 36A and 36B to make determination and to issue direction to secure interconnection, the TA encourages that the terms and conditions of interconnection should be resolved by commercial negotiations and agreement wherever possible.

4. To facilitate commercial negotiations and agreement among the parties as well as to set out the best practice for interconnection at Point C as described in the TA Statement entitled “Review of Type II Interconnection Policy” and “Implementation of Type II Interconnection Policy Announced on 6 July 2004” issued on 6 and 19 July 2004 respectively, the TA hereby issues this guideline (“the Guideline”) pursuant to section 6D setting out the matters to be considered by the TA in making a determination under section 36A on terms and conditions of, or issuing a direction under section 36B to secure an interconnection as the case so warrants.

¹ Point C is any technically feasible point of the in-building wiring system for interconnection as indicated in the diagram given in the Appendix.

5. This Guideline sets out the principles identifying the situations under which blockwiring is considered to be available and to be provided for interconnection at Point C. It is applicable to all local fixed carriers and class licensees operating in-building telecommunications systems. For the avoidance of doubt, the local fixed carriers include fixed carrier licensees as well as the holders of fixed telecommunications network services (“FTNS”) licences.

6. The Guideline shall be applicable to all types of buildings. For buildings with more than one set of blockwiring systems, the TA does not consider it necessary to intervene unless the requesting operator cannot reasonably acquire necessary blockwiring facilities from any blockwiring provider, or is unreasonably rejected by, or after a reasonable period of negotiations, fails to reach a commercial agreement with all blockwiring providers, in respect of those buildings,.

7. For the purpose of this Guideline, in-building optical fibres and co-axial cables are not considered as blockwiring or part of the blockwiring system.

Availability of Blockwiring

8. Blockwiring is defined as the wiring system inside the building or inter-linking clusters of buildings within a building complex. Type II interconnection at Point C is the arrangement for a local fixed carrier to reach a customer via the blockwiring or part of the blockwiring of another local fixed carrier or a class licensee.

Definitions of Vertical and Horizontal Blockwiring

9. For the purpose of this Guideline, the blockwiring is divided into Vertical blockwiring (V), Horizontal blockwiring (H) and other connecting parts, such as Main Distribution Frame (MDF) in the Telecommunications and Broadcasting Equipment Room (TBE Room) and the local boxes at various building floors. (H) is the part between the local box and the customer premises, and (V) is the part between the MDF and the local box.

If inter-links between buildings exist, they should be regarded as a part of the (V) provided that they do not cross unleased government land or public streets. If the (V) part of a pair of wire is connected to the (H) part of a pair of wire, the whole connected part is referred to as (V+H). If there is no local box to separate the (V) and (H) parts of a pair of wire, the whole part is also referred to as (V+H).

[Remarks #1: In other words, (V+H) is a pair of in-building wire connecting from the MDF in the TBE Room to the termination point in the customer premises. The termination point includes a modular socket, a termination block or coiling of wire inside a termination box.]

Availability of (V), (H) and (V+H)

10. If there is a customer requesting service for his own premises,
 - (a) the (V) wiring is to be considered as available if there is in-situ² (V) available at the building floor where the premises is located (as defined in paragraph 11);
 - (b) the (H) wiring is to be considered as available if there is in-situ (H) or (V+H) connected to that premises; and
 - (c) the (V+H) wiring is to be considered as available if there is in-situ (V) available at the building floor where the premises is located (as defined in paragraph 11) and (H) connected to that premises, or (V+H) connected to that premises. The blockwiring provider is to connect (V) and (H) if (V+H) is requested.

[Remarks #2: For a request of (H), the blockwiring provider may disaggregate any in-situ (V+H) into (V) and (H). The (H) so disaggregated should then be provided for interconnection by the requesting operator.]

11. The requesting operator is to specify the termination point for a (V) at a particular building floor or location point. The (V) is to be

² The in-situ wiring excludes cables which are faulty or suffering from interference.

considered as available if it is found within lower and upper five (± 5) floors of the concerned building floor unless there is physical obstruction³ preventing the blockwiring provider from extending the (V) to the requested point of interconnection. For the avoidance of doubt, (V) is available even though it is already part of (V+H) connected to another premises. However, (V) is to be considered not available if it is currently used or ordered for use by a customer who occupies or is going to occupy another premises.

[Remarks #3: For a request of (V+H), it is possible that there is in-situ (H) connected to the premises requesting service but (V) is not available within lower and upper five (± 5) floors of the building floor where the premises is located. Under such a circumstance, the blockwiring provider should source, as far as possible, any in-situ (V+H) for another premises within lower and upper five (± 5) floors of the concerned building floor. If such (V+H) is available, the blockwiring provider should disaggregate that (V+H) into (V) and (H). The (V) so disaggregated should then be extended and connected to the (H) leading to the premises where a customer has made a request for service.]

12. No distinction should be drawn between a porting customer and a new customer. In other words, the wiring is to be regarded as available if it is spare (i.e. usable but left unused) or is currently used for provisioning of an existing service to the requesting customer and the requesting customer has decided to terminate that existing service and request to switch to the service of the requesting operator.

Availability of Blockwiring Interconnection Point (BIP)

13. If there is at least one unused tag block in the MDF vertical or adequate MDF space for installation of at least one tag block, the tag block installed / to be installed by the blockwiring provider is to be made available to the requesting operator for BIP upon its request.

14. If all the existing facilities for BIP are exhausted, the requesting operator may negotiate in good faith with the blockwiring provider and

³ The physical obstruction includes any structural partition of the building in the course of extending the (V) from one vertical riser to another.

entrust it with the installation works for additional BIP. The blockwiring provider shall endeavour to satisfy such a requirement of the requesting operator. On the other hand, the requesting operator shall return any surplus BIP resources to the blockwiring provider with a view to better utilizing the limited resources of blockwiring facilities.

Blockwiring in New Buildings

15. The blockwiring provider, when being the only existing provider in a new building, is to provide sufficient blockwiring capacities to meet the requirement of all local fixed carriers in the same building within a reasonable period from the issue of the occupation permit. This period should be 12 months. For the avoidance of doubt, the obligation to provide Type II interconnection to blockwiring in accordance with this Guideline shall not be confined to the initial 12 months.

Reservation of Blockwiring

16. Notwithstanding the availability of blockwiring as described above, the blockwiring provider may reserve blockwiring under the following circumstances:

- (a) Additional (V), (H) or (V+H), MDF resources or space, local boxes or other parts of the blockwiring installed for a specifically identified purpose. For the avoidance of doubt, the specifically identified purpose should be supported by customer orders; and
- (b) Two pairs of (V) cables per local box or one pair of (V) cable per every 25 blockwiring pairs in a local box, whichever is larger, can be reserved by the blockwiring provider for maintenance and testing purpose.

The blockwiring reserved by the blockwiring provider should become not available to the requesting operator.

17. In order to enable the blockwiring provider to reserve spare pairs to cater for upcoming demand or to deal with interference that could arise

in the future, the TA may, in circumstances so warrant, direct immediate interconnection to the existing blockwiring system for a specified period only on the condition that the operator requesting the blockwiring should, during this period, investigate the technical and commercial feasibility of providing, and if feasible provide, its own blockwiring in the building. The TA may or may not extend the period of interconnection after considering all relevant factors, including the technical and economic feasibility of providing additional blockwiring systems in the building and the effort made by the requesting operator in the provision during the specified period.

Provisioning of Blockwiring

18. Type II interconnection at Point C shall be provided at any technically feasible point of the in-building wiring system. Currently, most interconnections are performed inside the TBE Rooms or at the local boxes of individual building floors. If for any operational reasons the blockwiring provider finds that the provision of a pair of (H), though considered to be available in accordance with the above principles, is not practicable, the blockwiring provider is expected to source and provide, as far as possible, any immediately available (V+H) in response to a request for (H) from the requesting operator. The provision of such an alternative solution enables the requesting operator to provide telecommunications services to its customers and is deemed to have satisfied the requirement for Type II interconnection at Point C. Likewise, the blockwiring provider is expected to source and provide, as far as possible, any immediately available (V+H) if the provision of (V) is not practicable for any operational reasons, in response to a request of (V) from the requesting operator. For the avoidance of doubt, this paragraph does not apply to the situations mentioned in paragraph 16.

[Remarks #4: The requesting operator may request (H) from the blockwiring provider after it has installed (V) in the building. In such a case, the requested point of interconnection is at the local box with (H) connected to the premises requesting service. However, the blockwiring provider may not be able to provide the (H) only, though available, to the requesting operator due to operational reasons, such as the lack of proper inventory

record system for (H). Under this circumstance, the blockwiring provider should counter-propose an alternative solution, such as provision of (V+H) with point of interconnection inside the TBE Room, to the requesting operator to effect the Point C interconnection.]

Commercial Negotiation and Determination

19. Local fixed carriers and class licensees operating in-building telecommunications systems are encouraged to arrange for interconnection in the manner as set out in the Guideline. All concerned parties should negotiate the terms and conditions including the charges on a commercial basis. If no commercial agreement can be reached between the concerned parties, they may request the TA to make a determination. In case there is any dispute, they may seek assistance from OFTA for dispute resolution. Alternatively, either party may make a request to the TA to make a determination under section 36A of the Ordinance. Apart from the availability of blockwiring addressed in this Guideline, the TA will take into account all relevant matters as detailed in section 36A(10) of the Ordinance.

Changes to the Guideline

20. This Guideline is not intended to be definitive and exhaustive and is applicable to scenarios insofar as envisaged in the Guideline. In exercise of his powers under section 36A, the TA is entitled to take into account all circumstances of the case and determine the terms and conditions of the interconnection concerned as appropriate. The TA does not intend to bind himself to exercise a discretion following exactly the Guideline and therefore he is entitled to depart or deviate from the Guideline where the circumstances justify it under section 6A(3)(b)(ii). This Guideline may from time to time be amended, as and when it is considered necessary, and subject to review in the light of experience in applying it over time.

Type II Interconnection Points

