

Review of the Public Non-Exclusive Telecommunications Service and Services-Based Operator Licensing Regimes

Statement of the Telecommunications Authority

19 October 2009

INTRODUCTION

On 11 March 2009, the Office of the Telecommunications Authority (“OFTA”) issued a consultation paper entitled “*Review of the Public Non-Exclusive Telecommunications Service and Services-Based Operator Licensing Regimes*”¹ (the “Consultation Paper”). The Consultation Paper proposed certain modifications to the Services-Based Operator (“SBO”) Licence including the introduction of a new type of “Class 3” services under the SBO Licence for replacement of the existing Public Non-Exclusive Telecommunications Service (“PNETS”) Licence, the removal of restriction on provision of local voice telephony services (i.e. Class 1 / 2 services) to mobile customers, the updating of certain SBO Licence conditions consequent to the proposed modifications as well as to cater for the latest market and regulatory environment, and the adjustment of licence fee for the provision of Class 1/Class 2 services.

2. In response to the Consultation Paper, submissions were made by the following parties (listed in alphabetical order):

- (1) China Mobile Hong Kong Company Limited (“China Mobile”)
- (2) Citifax Information Management Limited (“Citifax”)
- (3) Hong Kong Broadband Network Limited (“HKBN”)
- (4) Macquarie Telecom Pty Limited (“Macquarie”)
- (5) PCCW-HKT Telephone Limited and Hong Kong Telecommunications (HKT) Limited (“PCCW”)
- (6) V-Connect Limited
- (7) Wharf T&T Limited (“WT&T”)
- (8) Zone Limited (“Zone”)

¹ <http://www.ofta.gov.hk/en/report-paper-guide/paper/consultation/20090311.pdf>.

All of the submissions have been published on the website of OFTA².

3. This Statement sets out the responses and decisions of the Telecommunications Authority (“TA”) after considering the views and comments of the respondents.

STREAMLINING THE PNETS AND SBO LICENSING REGIMES

4. The PNETS Licence was introduced in the 1980s when local and external fixed telecommunications services were provided under exclusive franchises. Eight major categories of services³ are licensed under the existing PNETS regime. Local voice telephony services other than mobile virtual network operator (“MVNO”) service are excluded from the scope of service of the PNETS Licence. In January 2006, the TA introduced the SBO Licence adopting a two-tier (i.e. Class 1 and Class 2) licensing approach under which service providers may operate local voice telephony services using various technologies including Internet Protocol (“IP”) telephony. Apart from this, holders of SBO Licence may also offer all services covered by the PNETS Licence, except for MVNO and public radio communications relay services. Since the local telecommunications market has been fully liberalized, all telecommunications services are now provided on a competitive basis. The name of the PNETS Licence has become obsolete and it no longer reflects the current market situation. With the SBO Licence covering local voice telephony services and most of the services under PNETS Licence, the TA is mindful to overhaul and streamline these two licensing regimes.

5. Two options were proposed in the Consultation Paper for streamlining the licensing regimes, namely (1) replacing the PNETS Licence with a class licence; or (2) subsuming the PNETS Licence under the SBO Licence.

6. Class licence is a light-handed regulatory vehicle which does not require application for individual licence by the interested party. In the Consultation Paper, the TA explained his preference not to adopt this option for replacing the

² <http://www.ofa.gov.hk/en/report-paper-guide/paper/consultation/20090515/table.html>

³ The existing eight categories of PNETS are (1) External Telecommunications Service (“ETS”); (2) International Value-Added Network Service (“IVANS”); (3) Miscellaneous Value-Added (“Miscellaneous”) Service; (4) Mobile Virtual Network Operator (“MVNO”) Service; (5) Private Payphone Service; (6) Public Radio Communications Relay (“Radio Relay”) Service; (7) Security and Fire Alarm Signals Transmission (“Security & Alarm”) Service; and (8) Teleconferencing Service.

PNETS Licence, because of considerations on the continual need to enforce compliance of licence conditions and regulatory requirements (such as payment of interconnection charges), administering the allocation of scarce telecommunications resources (such as numbers) and handling of consumer complaints.

7. On the other hand, as SBO licensees are allowed to provide most types of services under the PNETS Licence, it is reasonable to subsume the PNETS Licence under the SBO Licence. As such, the TA proposed to merge the PNETS Licence into the SBO Licence by creating a new “Class 3” type of services under the SBO Licence to cover the various types of PNETS. After merging, all licensees providing similar services will be subject to the same licensing and regulatory regime.

8. The TA invited views and comments on the proposal in paragraph 7 by posing the following question:

Question (1): Do you have any views and comments with respect to the proposal on replacement of the existing PNETS licensing regime by a new class of service under the SBO Licence?

Views and Comments

9. All respondents agreed that the proposal of subsuming the PNETS Licence under the SBO Licence is the more appropriate option. HKBN considered the proposal in line with prevailing practices in other jurisdictions. PCCW concurred with the TA in not pursuing with the alternative option, i.e. replacing the PNETS Licence by a class licence, due to concern on detection and enforcement of interconnection charge avoidance.

10. While agreeing to the merging of the PNETS Licence into the SBO Licence, PCCW opined that operators providing similar services should be subject to similar regulatory requirements, irrespective of whether they are service-based operators or facility-based operators. WT&T urged the TA to ensure regulatory clarity under the SBO regime, especially on the issue of local telephone numbers being used for external telecommunications service (“ETS”) by SBO licensees.

Responses and Considerations

11. While the TA agrees in principle that similar services should be subject to similar regulatory requirements irrespective of the operators providing them, he also needs to make sure that rights and obligations of a licensee are commensurate with the scope of service authorized under the licence. In general, facility-based operators licensed under the Unified Carrier Licence (“UCL”), the Fixed Carrier Licence (“FCL”) and the Mobile Carrier Licence (“MCL”) are entitled to rights (such as road opening, building access, use of radio spectrum and establishment of transmission facilities for carrying communications across public streets and unleased Government lands, as the case may be) which are not available to service-based operators, and they are therefore subject to more stringent licence obligations when compared with the latter. On the other hand, the TA will align certain basic obligations under the UCL and the modified SBO Licence (“Modified SBO Licence”), such as those in relation to customer protection, billing and metering, provision of service and interconnection. The TA considers that the proposed set of licence conditions for the Modified SBO Licence is reasonable and proportionate for regulation of the public telecommunications services provided by service-based operators.

12. As regards the numbers used by SBO licensees for providing ETS and other services, the regulatory framework for licensees to pay interconnection charge (such as local access charge) is set out in the relevant statements and determinations issued by the TA. The obligation to pay the relevant interconnection charge is also stipulated in the licence conditions under the SBO Licence. The streamlining of the licensing regime does not affect such an obligation.

13. In view of the general support received, **the TA decides to expand the scope of the SBO Licence with the creation of a new “Class 3” type of services to replace the PNETS Licence.** Under the Modified SBO Licence, a single, harmonized set of licence conditions will apply in lieu of different sets of licence conditions for different categories of services provided under the existing PNETS and SBO Licences.

PROPOSED MODIFICATIONS TO THE SBO LICENCE

Scope of Service and Period of Validity

14. In the Consultation Paper, the TA proposed to include the following seven categories of services in the new type of Class 3 services under the Modified SBO Licence:

- (1) external telecommunications service (“ETS”);
- (2) international value added network service (“IVANS”) (including Internet Access Services);
- (3) mobile virtual network operator (“MVNO”) service;
- (4) private payphone service;
- (5) public radio communications relay (“Radio Relay”) service;
- (6) security and fire alarm signals transmission (“Security & Alarm”) service; and
- (7) teleconferencing service.

15. In addition, the TA proposed to lift the existing restriction on SBO licensees from providing Class 1 and Class 2 services to mobile users. When the SBO Licence was first introduced in January 2006, the provision of IP telephony services by SBO licensees to mobile customers was not seen to be economically viable and commercially feasible because of the data transmission charges involved. However, recent developments including the introduction of high speed packet access service and the massive rollout of public Wi-Fi hotspots have made the high speed mobile broadband service widely available and more affordable. Moreover, with the emergence of fixed-mobile convergence, the boundary between fixed and mobile networks and services has become increasingly blurred and a technology-neutral approach is more conducive to the development of the market for innovative and advanced services. The TA sees no reason why SBO licensees should not be allowed to provide mobile IP telephony service, especially when there is no similar restriction in other jurisdictions.

16. Similar to the existing SBO Licence and other service-based licences, the TA proposed that the existing validity period for the Modified SBO Licence be one year and be renewable on a yearly basis.

17. The TA invited views and comments on the proposals mentioned in paragraphs 14 to 16 of the Consultation Paper by posing the following question:

Question (2): Do you have any comments on the proposed scope of service and period of validity for the Modified SBO Licence, in particular on the Class 1, Class 2 and Class 3 services which may be authorised under the licence and the removal of mobility restriction for Class 1/2 services?

Views and Comments

18. Respondents in general did not object to the proposed scope of service and the period of validity for the Modified SBO Licence, but some of them raised a number of suggestions and concerns on implementation including numbering issue, hosting arrangement and impact on fixed network operators (“FNOs”) providing IP telephony services when the mobility restriction is removed for SBO licensees.

19. On the numbering issue, China Mobile suggested that SBO licensees providing mobile Class 1 services should continue to use numbers with prefixes 5, 6 and 9 until fixed-mobile number portability (“FMNP”) was implemented and a set of numbers with different prefix should be allocated to SBO licensees providing mobile Class 2 services. Zone suggested that with the grouping of MVNO under the SBO licensing regime, SBO licensees providing Class 2 services should be allowed to use numbers with prefix “58” / “57” or any numbering blocks allocated by the TA to provide both fixed and mobile services for better utilization of limited numbering resource in Hong Kong.

20. On the removal of mobility restriction, PCCW considered that if Class 1 or Class 2 services are permitted for users of both fixed and mobile data services under the proposed Modified SBO Licence, the same permission should be granted to an FNO offering similar IP telephony service. PCCW opined that this will avoid any differential regulatory restrictions on the choice of IP telephony service providers through a mobile phone, whether from an SBO licensee or FNO. Otherwise, according to PCCW, if only SBOs but not FNOs are allowed to provide IP telephony services to mobile users, an FNO will have no choice but to bar Voice over Internet Protocol (“VoIP”) calls to and from mobile phones (even if an SBO is hosted by the same FNO) and an IP telephony user cannot enjoy similar service over the mobile phone if he/she chooses to port the number from an SBO to an FNO. Macquarie was of the view that OFTA should be prepared to intervene if mobile network operators (“MNOs”) refuse to

supply services or do so on discriminatory terms. WT&T suggested that the TA could encourage the widening of choices available to the mobile customers by means of facilitating open access of content providers to the mobile networks.

21. On the hosting arrangement, PCCW requested clarification of whether SBO licensees allowed to provide multiple classes of services under the Modified SBO Licence are permitted to have multiple hosting arrangements, and if so the industry should be assured that the possibility of arbitrage or charge avoidance would not prevail.

22. On the validity period, Macquarie suggested that the TA may provide a three-year option for licensees.

Responses and Considerations

Numbering Issue

23. The TA would like to clarify that the existing number allocation principles for fixed and mobile services will not be changed due to the removal of mobility restriction for SBO licensees. For Class 1 services, the numbering plan will be the same as conventional fixed and mobile telephone services (i.e. prefixes '2' and '3' for fixed, prefixes '51', '53', '6' and '9' for mobile). SBOs and FNOs providing fixed Class 1 services will be allocated with numbers for fixed services. With the mobility restriction removed for SBO licensees, there will be no restriction for SBOs providing fixed Class 1 services to allow their customers to have access to their services on mobile Internet-enabled devices. On the other hand, MNOs are allocated with numbers for mobile services whether they provide conventional telephony services or Class 1 type IP telephony services (which are authorized under the carrier licence of an MNO without the need to obtain separate SBO licence). If SBOs demonstrate that they are providing Class 1 services primarily to mobile customers, they may also apply to the TA for allocation with numbers for mobile services. For Class 2 services, only numbers with special prefixes '57' and '58' have been allocated by the TA. The TA considers that such special prefixes allow the differentiation of the Class 2 services from the traditional telephone service which has been classified as either fixed or mobile service. The TA will continue the allocation of '57' or '58' prefixed numbers for Class 2 services, irrespective of whether they are used for providing service to fixed or mobile

customers and irrespective of whether or not FMNP is implemented. The TA does not agree to Zone’s suggestion that any numbering block can be used for Class 2 services, otherwise there will be difficulty for operators and consumers to differentiate between Class 1 and Class 2 services. For Class 3 (MVNO) service, numbers with prefixes ‘51’, ‘53’, ‘6’ and ‘9’ for mobile services will continue to be allocated. A summary of the number allocation for various services under the Modified SBO Licence is given in Table 1 below.

Table 1 – Number Allocation for Different Licensees / Services

<i>Licensees / Services</i>	<i>Fixed Service</i>	<i>Mobile Service</i>
FNO – Class 1 Services	Fixed Network Numbers (prefixes 2 and 3)	Not applicable
FNO – Class 2 Services	Prefixes 57 and 58	Not applicable
MNO – Class 1 Services	Not applicable	Mobile Network Numbers (prefixes 6 , 9, 51, 53)
MNO – Class 2 Services	Not applicable	Prefixes 57 and 58
SBO - Class 1 Services	Fixed Network Numbers (prefixes 2 and 3)	Mobile Network Numbers (prefixes 6, 9, 51, 53)
SBO - Class 2 Services	Prefixes 57 and 58	Prefixes 57 and 58
SBO - Class 3 (MVNO) Services	Not applicable	Mobile Network Numbers (prefixes 6, 9, 51, 53)

24. For the avoidance of doubt, the existing number porting arrangement for Class 1 / Class 2 services and Class 3 (MVNO) services will still apply under the Modified SBO Licence in respect of fixed number portability (“FNP”) and mobile number portability (“MNP”). A customer of Class 1 services and assigned with a fixed number should be able to port his number among FNOs and SBOs providing fixed Class 1 services, while a customer of Class 1 and/or Class 3 (MVNO) services and assigned with a mobile number can port his number among MNOs and SBOs providing mobile Class 1 and/or Class 3 (MVNO) services. On the other hand, if an SBO, FNO or MNO provides Class 2 services using numbers with special prefixes ‘57’ and ‘58’ allocated by the TA (see paragraph 23), all such Class 2 numbers are not subject to number porting requirement. This regulatory arrangement will be reflected in the direction on the number porting requirement which the TA will issue to the relevant licensee upon the granting of the Modified SBO Licence. Notwithstanding the existing requirements on FNP and MNP, individual SBO providing Class 1 and Class 3 (MVNO) services may on a voluntary basis implement FMNP same as FNOs and MNOs. In this connection, operators should refer to the guiding principles given by the TA in the Statement entitled

“Fixed Mobile Number Portability” issued on 10 July 2009 (*“FMNP Statement”*)⁴ for implementation of a voluntary FMNP scheme.

Provision of Class 1 / Class 2 Services by FNOs and MNOs

25. The removal of mobility restriction under the Modified SBO Licence is justified because of the rapid technological developments, as it has become feasible for both fixed and mobile Internet-enabled devices to access IP telephony service. The TA does not intend to maintain any regulatory restriction on the provision of IP telephony service to fixed or mobile customers by operators. This principle applies also to carrier licensees providing IP telephony services as long as they operate within the scope of service authorized under their respective licences.

26. With the advent of the IP and the next generation network (“NGN”) technologies, the generally accepted model of the industry worldwide for IP-based communications is to separate the provision of services from the operation of the network. In the Statement on “Regulation of Internet Protocol (IP) Telephony” issued on 20 June 2005 (the “VoIP Statement”), the TA has identified three modes of provision of IP telephony services over broadband connections:

- (a) Mode 1: The IP telephony services are provided by the supplier of the broadband connection to the customer;
- (b) Mode 2: The IP telephony services are provided by an IP telephony service provider who has direct access to, and interconnection with, the broadband connection under a commercial agreement with the supplier of the broadband connection; and
- (c) Mode 3: The IP telephony services are provided by an operator as an application on the Internet which is accessed through the broadband connection. In this case, the IP telephony service provider has no commercial relationship with the supplier of the broadband connection specifically for the IP telephony services, although there may well be other commercial relationship between the two operators (such as peer-to-peer arrangement) for the exchange of generic Internet traffic.

⁴ See the FMNP Statement available at <http://www.ofta.gov.hk/en/tas/numbering/tas20090710.pdf>

FNOs

27. For FNOs providing IP telephony services, they provide their customers with an appropriate device (such as IP phone adaptors or softphone software loaded in a computing device) for access to the concerned services using one of the three modes. For a customer who makes use of such a device to access an IP telephony service provided by an FNO through the broadband line established by the same FNO, a Mode 1 service is involved. In this case, the same FNO is acting as both the facility operator and the service provider.

28. For a customer who has access to the IP telephony service of the FNO (FNO-A) through the broadband connection (fixed or mobile) established by another carrier (either another FNO, FNO-B or an MNO), Mode 2 or Mode 3 service may be involved. In this case, FNO-A would be acting as a service provider⁵. This is akin to the situation where FNO-A provides a value-added service (e.g. ETS) which can be accessed by a fixed customer of FNO-B or a mobile customer of the MNO. In other words, there is no restriction for a mobile customer of an MNO to have access to the IP telephony service provided by FNO-A over a mobile broadband connection established by the MNO through interconnection with FNO-A.

29. In accordance with the number allocation principles stipulated in paragraph 23, FNO-A shall only assign to the end customers fixed network numbers (with prefixes 2 and 3) for provision of Class 1 type of IP telephony services (regardless of whether the customer will use a fixed device or a mobile device to access the services), and the existing number porting requirement for fixed numbers as explained in paragraph 24 should be observed. FNO-A will not be entitled to allocation of mobile network numbers (with prefixes '6', '9', '51', '53') for assignment to customers and cannot accept porting in of such numbers from an MNO, MVNO or SBO providing mobile Class 1 services. In this aspect, FNO-A cannot freely provide IP telephony service to any fixed or mobile customer because of the restriction of its licence, unlike an SBO which can be authorized to do so under the Modified SBO Licence. To address the concerns raised by PCCW regarding the equal right of facility-based and

⁵ FNO-A may provide a Mode 2 service or a Mode 3 service over the broadband connection of FNO-B, depending on whether FNO-A has a commercial arrangement with FNO-B regarding the use of the broadband connection for the service.

service-based operators and wider customer choice of service providers, FNO-A may apply for an SBO Licence allowing it to provide both fixed and mobile Class 1/2 services. Alternatively, with the implementation of the UCL regime, the FNO-A may apply for conversion of its existing licence to UCL with authorization to provide both fixed and mobile services.

MNOs

30. An MNO may also provide Class 1 or Class 2 type of IP telephony services to its customers using either one of the three modes of provision described in paragraph 26. For a customer who makes use of the mobile broadband connection of an MNO to access an IP telephony service of the MNO, a Mode 1 service is involved. In principle, for a customer who has access to the IP telephony service of the MNO through the broadband connection (fixed or mobile) established by another carrier, Mode 2 or Mode 3 service may be involved.

31. In principle, on par with the ability of a customer of an FNO to access its Class 1 / Class 2 services by a mobile device, a customer of an MNO should also be allowed to access the MNO's Class 1 / Class 2 services by a fixed device. Nevertheless, it should be noted that under a Mobile Carrier Licence ("MCL") or UCL authorized for provision of mobile services, an MNO should only allow communications between two mobile customers on its network and between a mobile customer of its network with another fixed / mobile customer on another fixed / mobile network. If the MNO allowed two customers both not on its network to communicate with each other through interconnection with its own network, the MNO is providing a kind of "transit" service which may not be explicitly allowed under the MCL or UCL authorized for mobile services only. At present, most MNOs have their MCLs converted into UCLs. If an MNO wishes to provide IP telephony services to both fixed and mobile customers, it may apply to the TA for amendment of its UCL for authorization of the "transit" service or alternatively, it may apply for expansion of scope of service under the UCL to provide fixed services in general.

32. Again, similar to the situation for FNOs in paragraph 29, the MNO (where the licence has been amended as may be required) shall only assign mobile network numbers (with prefixes '6', '9', '51', '53' etc) for provision of Class 1 type of IP telephony services regardless of whether the customer will use

a fixed device or a mobile device to access the services, and the existing number porting requirement for mobile numbers as explained in paragraph 23 should be observed. The MNO will not be entitled to allocation of fixed network numbers (with prefixes '2', '3') for assignment to customers and cannot accept porting in of such numbers from an FNO or SBO providing fixed Class 1 services. If the MNO wishes to provide IP telephony service to any fixed or mobile customer, it may apply for an SBO Licence allowing it to provide both fixed and mobile Class 1/2 services or apply for a UCL or amendment of its existing UCL with authorization to provide both fixed and mobile services.

Hosting and Interconnection Arrangement

33. In accordance with the *VoIP Statement* and the Statement on "*Services-Based Operator (SBO) Licence*" issued by the TA on 6 January 2006 ("*SBO Statement*"), an SBO licensee offering Class 1 / Class 2 services for access to the conventional public switched telephone network ("PSTN") should seek a hosting connection to the network of at least one FNO. This FNO will then be responsible for the routing of the traffic of the hosted Class 1 / Class 2 services to and from other networks. For an SBO licensee providing Class 1 / Class 2 services under the Modified SBO Licence, the said hosting arrangement will remain the same irrespective of whether the Class 1 / Class 2 services are provided to fixed or mobile customers. It should be noted that the existing regime does not restrict an SBO licensee from seeking a "multiple hosting arrangement" as raised by PCCW. Whether a single or multiple hosting arrangement is deployed is at the sole discretion and commercial decision of the SBO licensee.

34. If an MNO has applied to the TA and its licence has been amended to allow "transit" service or to provide fixed services in general, it may also provide hosting service to any SBO licensees providing Class 1 / Class 2 services, in addition to such services that it may itself provide.

35. For an SBO licensee providing Class 3 services, the hosting arrangement will be the same as existing PNETS licensees providing ETS, IVANS or MVNO services. At present, a PNETS licensee providing ETS or IVANS is hosted by at least one FNO for interconnection with other networks. An MVNO is necessarily hosted by the MNO providing the radiocommunications capacity, and possibly the same MNO or alternatively one

or more FNO for interconnection with other networks. Under the Modified SBO Licence, hosting of Class 3 services can be performed by an FNO or MNO which is authorized to allow ‘transit’ service or to provide fixed services in general under its licence. A summary of the hosting arrangement is given in Table 2 below.

Table 2 – Hosting Arrangement for SBO licensees

<i>Services under Modified SBO Licence</i>	<i>Hosting by FNO (for interconnection with other networks)</i>	<i>Hosting by MNO (for interconnection with other networks)</i>
Class 1 services	Yes	Yes (if ‘transit’ or fixed service is authorized under the licence of the MNO)
Class 2 services	Yes	Same as above
All Class 3 services	Yes	Same as above
Class 3 (MVNO) services	Yes	Yes (if the MNO provides radiocommunications capacity to the MVNO or if ‘transit’ or fixed service is authorized under the licence of the MNO)

36. Routing of calls by an FNO to an SBO hosted by the FNO or other carriers involves interconnection between the network of the FNO and other networks and systems. Irrespective of whether the SBO provides service to fixed or mobile customers, the routing of such calls over the network of the FNO is allowed. In particular, for calls to a mobile IP telephony customer of an SBO which is hosted by an FNO, the situation is similar to an existing one for calls to a mobile customer of an MVNO which can be hosted by the FNO for interconnection with other networks and such calls can be routed by the FNO. Therefore, there should be no issue for barring of the calls by an FNO to a mobile customer of an SBO hosted by the FNO as raised by PCCW.

37. Likewise, the routing of calls by an MNO to an SBO hosted by the MNO or other carriers involves interconnection between the network of the MNO and other networks and systems. If the MNO has been authorized under its licence to provide ‘transit’ service or fixed services in general, irrespective of whether the SBO provides service to fixed or mobile customers, the routing of such calls over the network of the MNO is allowed.

Other Issues

38. Regarding the supply of services to SBOs or the facilitation of open access to content providers on mobile networks, this should be governed by the existing open network access requirement specified under the relevant MCLs or UCLs of the MNOs. While the TA is prepared to use his power to intervene if there is sufficient justification, he is of the view that the interest of SBO licensees and content providers is protected through the ample choice of MNOs in the competitive mobile telecommunications market. With the increasing availability and affordability of mobile and wireless broadband services, customers will want unimpeded access to any content provided by any party on the Internet. Therefore, the TA is of the view that a “walled-garden” approach adopted by MNOs will not prevail in the long term. Market force will promote open access to contents and value added services by customers and the chance for regulatory intervention would not be high. Despite this, the TA will continue to observe the market development and any potential problem in competitive supply of contents and services to customers. Any anti-competitive behaviour may be dealt with under the competition provisions of the Telecommunications Ordinance (the “Ordinance”).

39. Regarding the licence period, the TA notes the suggestion of Macquerie concerning an option of a three-year licence period. At present, both PNETS and SBO licences are renewable on an annual basis subject to payment of licence fee, unless there are reasons for non-renewal (such as failure to comply with licence obligations). This arrangement has worked well for more than two decades for the PNETS Licence, and three years for the more recently introduced SBO Licence. For the Modified SBO Licence, the TA considers that there is a need for continual regulatory oversight on service-based licensees, including enforcement of licence conditions⁶. The maintenance of an one-year licence period would facilitate the timely updating of licence conditions to reflect the latest regulatory requirements, and the need to take prompt enforcement actions involving non-renewal of licence⁷. The existing approach of annual renewal is considered to be efficient and proportionate with the rights and obligations of service-based operators and there is no compelling reason to change the longstanding practice at this juncture.

⁶ There are 8 cases of breach of licence condition by PNETS / SBO licensees in 2008 and 6 cases in 2009 so far. In all cases the TA imposed financial penalty on the concerned licensees.

⁷ Within 2008, 10 licences were not renewed by the TA due to non-compliance with licence obligations.

Summary on Scope of Service and Licence Period

40. In summary, having considered all the views and comments of the respondents, **the TA decides to introduce the new Class 3 services and to relax the restriction on SBO licensees from provision of Class 1 / Class 2 services to mobile users under the Modified SBO Licence. The description of individual type of services that may be provided under the new licence is set out in Annex 1 to this Statement.** Under the Modified SBO Licence, a licence holder may provide multiple services including any Class 1, Class 2 and/or one or more types of Class 3 services. The exact types of services authorized to be provided by an SBO licensee, i.e. Class 1 / Class 2 services and the list of Class 3 services which may be provided by the licensee, would be clearly spelt out in the schedule(s) of the individual licence. If the licensee wishes to modify the initial scope of service authorized under its licence, it may apply to the TA for the necessary amendment to the schedule(s)⁸. **The TA also decides that the Modified SBO Licence will have a validity period of one year, same as for the existing SBO Licence.**

Fee Structure

41. In the Consultation Paper, the TA proposed to maintain the licence fee for provision of Class 3 services under the Modified SBO Licence at the same level as the equivalent types of services licensed under the PNETS Licence. On the other hand, there will be fee reduction for existing SBO Class 1 and Class 2 services. The proposed fees are summarised in Table 3.

Table 3: Proposed Fee for SBO Licence

<i>Licence / Service</i>	<i>Before</i>	<i>Proposed</i>
<i>Fixed Annual Fee</i>		
SBO Class 1	\$90,000	# \$25,000
SBO Class 2	\$25,000	# \$25,000
PNETS Licence / SBO Class 3	\$750	\$750
<i>Variable Annual Fee Components</i>		
Base Station Fee per base or fixed station	* \$750	\$750
Mobile Station fee	* \$8	\$8
Number Fee per subscriber number	^ \$7	\$3

⁸ Subject also to payment of licence fee for the additional services which may be authorized under the licence.

* Only apply to PNETS Licence before merging the two licensing regimes.

^ Only apply to Class 1 and Class 2 services of SBO Licence before merging the two licensing regimes.

No additional fixed fee for provision of any type of Class 3 services.

42. As Table 3 indicates, the proposed fixed fee component for provision of Class 1 and Class 2 services would be aligned at the same level of HK\$ 25,000. Under the existing SBO Licence, a fee of HK\$7 per annum is charged for each subscriber number (the “number fee”) to recover the cost of administering the licence and to encourage efficient use of the telephone numbers. The number fee under the Modified SBO Licence was proposed to be reduced from HK\$7 to HK\$3 for each subscriber number, so as to align with that for operators holding UCL or a PNETS Licence for the provision of MVNO service or a Public Radiocommunications Service (“PRS”) Licence for the provision of paging service. To facilitate licence fee calculation for SBO licensees providing Class 1 services, the concerned licensees are required to submit auditor certificate for certifying the quantity of numbers held by them for the purpose of determining the amount of number fee payable. The TA sought views and comments on the concerned fee proposal by posing the following question:

Question (3): Do you have any views and comments on the proposed licence fees of the Modified SBO Licence and the requirement of submitting auditor certificate for licence fee calculation?

Views and Comments

43. China Mobile supported the licence fee proposal. Citifax supported the levy of number fee as a more effective means to prevent abuse of number resource but suggested to relax the ratio of circuit-to-number for Direct-Dialing-In service as stipulated in the *Code of Practice Relating to the Use of Numbers and Codes in the Hong Kong Numbering Plan* (“CoP for Numbers”)⁹. HKBN opined that the number fee should only be imposed on idle numbers held by licensees, while numbers in use by subscribers should not be charged. Macquarie welcomed OFTA’s proposal of licence fee reduction but submitted that the requirement for SBO licensees providing Class 1 services to submit auditor certificates for the numbers they held is a significant and unnecessary burden to licensees especially where a small volume of numbers are involved. The company suggested an alternative self-certification approach whereby licensees reporting the numbers held could be subject to an audit of

⁹ The CoP can be downloaded at <http://www.ofta.gov.hk/en/code/cop20090211.pdf>.

appropriate records by OFTA according to a sample checking mechanism and the cost of which would be borne by the licensees, and this approach would ensure voluntary compliance with the licence fee requirement if any material discrepancy found by a subsequent audit would be at the risk of regulatory penalty.

44. PCCW disputed the proposed reduction for fixed annual fee of SBO licensees providing Class 1 services. Making reference to the “Major Tasks and Projects for 2009/10” published by OFTA, PCCW opined that many work items of OFTA are either directly or closely related to service-based licensees, or their nature is of general public interests not specifically linked to service-based or facility-based categories. WT&T also opposed to the reduction of licence fee for Class 1 services. It opined that FNOs providing VoIP services should be exempted from paying customer connection fee to provide a level playing field. Both PCCW and WT&T considered that if the TA decided to reduce the fixed fee component for SBO Class 1 services, then the corresponding fee for FCL and UCL should also be reduced. HKBN considered that the scope of service of SBO Licence for Class 1 / Class 2 services is similar to that of FCL except for the rights of the latter to establish and maintain transmission facilities across public streets or unleased Government lands. The company gave the view that the TA should review the fixed fee component under the FTNS Licence, FCL or UCL, which is currently at the level of HK\$ 1 million and which is (purported to be) very high when compared with that under SBO Licence.

Responses and Considerations

45. The TA does not agree with HKBN’s suggestion of levying number fee on unused numbers only. The purpose of introducing number fee is to provide an incentive to operators for better management of numbers as a scarce public resource and returning idle numbers to the TA for re-allocation. If number fee is to be levied on idle numbers only but not on those numbers assigned to subscribers, operators may assign numbers to subscribers in a less than disciplined way, thus defeating the original purpose of number fee. The levy of number fee on all numbers allocated to a licensee, whether they are in use or unused, is also in line with the existing arrangement of number fee for other licences, such as the PNETS (MVNO) Licence, PRS Licence and UCL.

46. Number fee is meant to be a financial incentive for promoting the efficient use of numbers. Other than the number fee, the TA also employs other administrative measures to encourage efficient assignment of numbers by operators to end customers, including the setting of an optimal circuit-to-number ratio for assignment of fixed network numbers for Direct-Dialing-In service. Any proposed change to these measures should not be linked with the number fee issue in this consultation. As the circuit-to-number ratio is stipulated in the *CoP for Numbers*, the appropriate forum to address the point raised by Citifax is the Telecommunications Numbering Advisory Committee established under OFTA.

47. The requirement for SBO licensees providing Class 1 services to submit auditor certificates for subscriber numbers held by them follows the existing arrangement for all other licences, such as carrier licences, PRS Licence and PNETS (MVNO) Licence for which the variable fees are calculated based on the amount of numbers or customer connections reported by the licensees¹⁰. At present, PNETS licensees providing MVNO service is required to pay number fee¹¹, while PNETS licensees providing MVNO and Radio Relay services are subject to a variable fee based on the quantity of base stations and mobile stations. These two types of PNETS licensees are required to submit auditor certificate. In future, SBO licensees providing Class 3 (MVNO) and Class 3 (Radio Relay) services will need to follow the same requirement for existing PNETS-MVNO and PNETS-Radio Relay licensees to submit auditor certificate for the amount of numbers, base stations and mobile stations under the respective licences. The self-certification approach proposed by Macquarie has impacts on administration of both the carrier licences and the SBO Licence. Taking into account the increased administrative cost of OFTA for carrying sample checks of licensees' records and enforcement action in respect of licence fee collection, and considering that the existing practice of submission of auditor certificate is efficient and well understood by the industry, the TA does not see any compelling reason to change such established practice at this juncture.

48. As for the setting of licence fee for facility-based carriers and

¹⁰ This requirement does not apply to SBO licensees providing Class 2 services only. For these licensees, the TA is in possession of the necessary information for him to determine accurately the number fee payable, because he allocates the numbers and the licensees are not required to support number porting.

¹¹ For the avoidance of doubt, numbers with prefix 300(1-9) and 30(1-9) allocated by the TA to an FNO who then subsequently assigned the numbers to a PNETS or SBO licensee should be reported by that FNO under its licence. The relevant number fee is to be borne by the FNO under its licence.

service-based operators, the concerned FNOs may not have a good appreciation of the resources spent by OFTA in regulating carrier licensees vis-a-vis SBO licensees. Facility-based carrier licensees have more rights under their licences, which are not granted to SBOs. Carrier licensees are also subject to more stringent licence conditions and regulatory oversight, such as interconnection, number portability and universal service obligation. In addition, many issues like interconnection and number porting are not directly handled by SBOs but by their hosting FNOs. In view of the wide portfolio of services provided and the large customer base served by the carrier licensees, OFTA needs to spend substantially more resources on handling of consumer and industry complaints on regulatory issues concerning carrier licensees. The level of licence fee set by the TA for an individual type of licence basically reflects the reasonable cost of administering that particular type of licence. While the TA does not agree with the suggestion that the level of licence fee for FNOs is set too high, the TA would like to assure the industry that he has been continuously reviewing the level of licence fee for various types of licences and will consider adjusting the licence fee based on cost recovery principle whenever the opportunity arises. This is exemplified by the significant reduction of the licence fees for the MNOs and MVNOs over the years, and the reduction of the licence fees for Class 1 SBO Licensees in the current exercise.

49. Having considered the views and comments received, **the TA decides that the proposed fee components for the Modified SBO Licence as summarized in Table 3 will be adopted. The fees for the Modified SBO Licence are set out in details in Annex 2.**

General Conditions and Special Conditions

50. The TA proposed that a single, harmonized set of licence conditions will be used for all licensees providing Class 1, Class 2 and Class 3 services under the Modified SBO Licence, and this will replace the numerous sets of licence conditions used before for SBOs and PNETS providers. This unified set of licence conditions will be based on the existing general conditions (“GCs”) and special conditions (“SCs”) of the SBO Licence, with appropriate updates to cater for the licensing of Class 3 services and the latest regulatory environment.

51. At present, most general conditions of the PNETS Licence are included

in the SBO Licence, except two governing the use of radiocommunications installations and frequencies. As the holders of the Modified SBO Licence will be allowed to provide service to mobile customers and there may be radiocommunications installations set up for the provision of service under the licence, the said general conditions are proposed to be transplanted from the existing PNETS Licence to the Modified SBO Licence.

52. For the SCs, the following major changes are proposed to the existing conditions in the SBO Licence:

- (a) Withdrawal of an obsolete licence condition on “Unsolicited Advertising” because of the coming-into-force of Unsolicited Electronic Messages Ordinance in December 2007;
- (b) Enhancement of an existing licence condition on “Requirements for Interconnection” to ensure any-to-any (“A2A”) interconnectivity for all numbers allocated under the Hong Kong Numbering Plan;
- (c) Inclusion of a new licence condition on “Records and Plans”, which is transplanted from the PNETS Licence;
- (d) Inclusion of a new licence condition on “Service Contracts and Dispute Resolution” to enhance consumer protection with a view to putting the SBO Licence on the same footing with a similar licence obligation under the UCL;
- (e) Relaxation of an existing licence condition on “Emergency Call Service” to allow exemption for provision of emergency call service to subscribers of inbound only Class 2 services;
- (f) Inclusion of two new licence conditions on “Location Services” and “Provision of Service to Suspected Stolen Radiocommunications Apparatus” applicable to Class 3 (MVNO) services only;
- (g) Inclusion of two new licence conditions on “Single Payphone – Common Access” and “Provision of Payphone Service” applicable

to Class 3 (Private Payphone) service only; and

- (h) Updating of existing licence conditions on “Billing and Metering Accuracy”, “Universal Service Contribution”, “Number Portability” and “Directory Information and Directory Information Service”.

53. The TA invited views and comments on the proposed licence conditions to be applied under the Modified SBO Licence and asked the following questions in the Consultation Paper:

Question (4): Do you agree with the proposal to include the two SCs concerning interconnection requirement and new consumer protection requirement for service contracts and dispute resolution under the Modified SBO Licence?

Question (5): Do you agree with the proposal to relax the requirement of providing emergency call service for Class 2 services such that only those services with outbound calling capability and assigned with Hong Kong telephone number are obliged to support emergency calls?

Question (6): Do you have any comment on the proposed GCs and SCs for the Modified SBO Licence as set out in Annex 5 (of the Consultation Paper)?

Interconnection and Consumer Protection

Views and Comments

54. PCCW, China Mobile and Macquarie agreed and supported the two SCs concerning interconnection requirement and consumer protection requirement for service contracts and dispute resolution. However, HKBN opposed the introduction of the SC for service contracts and dispute resolution as the requirements were unclear and other means such as market forces and voluntary implementation of code of practice on service contracts¹² and other measures were in place. The company opined that it was not necessary for the TA to

¹² HKBN may be referring to two existing voluntary codes of practice, namely “Code of Practice for the Service Contracts for the Provision of Public Telecommunications Services” (http://www.ofta.gov.hk/en/code/cop20041112_1.pdf) and “Code of Practice for the Service Contracts for the Provision of Public Mobile Radiocommunications Services” (http://www.ofta.gov.hk/en/code/cop20041112_2.pdf) both issued on 12 November 2004 by the TA.

mandate further obligation and it suggested the TA to put the concerned licence condition on hold. WT&T commented that given the new requirement on service contracts and dispute resolution and the cost of implementation of the “Consumer Complaint Settlement Scheme” (“CCSS”) are unclear, the imposition of the concerned licence condition should be re-considered in view of the existing global economic downturn and the healthy development of the local telecommunications industry.

Responses and Considerations

55. The proposed new SC on “Service Contracts and Dispute Resolution” has already been incorporated in the UCL. Since the type of services that can be provided by carriers and by SBO licensees to end customers are similar, it is reasonable to align the licence obligation for carriers licensees and SBOs such that the same level of protection could be afforded to customers no matter they subscribe service from facility-based or service-based operators.

56. In view of the increasing number of consumer complaints about contractual disputes, OFTA has launched a pilot CCSS in early 2009, with positive response from the industry. The TA believes that the telecommunications industry can and should operate a self-regulatory scheme to resolve contractual disputes. He will review the effectiveness of the pilot scheme in 2010, with a view to helping the industry to set up a sustainable self-regulatory scheme in the long run. If there is ever a need to mandate the requirement, the TA will duly consult the industry before he makes a decision on the way-forward.

57. Having considered the views and comments received, **the TA decides that the enhanced SC on interconnection and the new SC on consumer protection in respect of service contracts and dispute resolution should be adopted under the Modified SBO Licence.**

Emergency Call Service

Views and Comments

58. Both China Mobile and Macquarie agreed to the exemption on emergency call service proposed for inbound only Class 2 services. WT&T had no objection to the proposal provided that the TA should ensure that

consumers subscribing to Class 2 services would not have any false impression that emergency call service can be provided by default. PCCW suggested that this exemption should extend to all relevant inbound only VoIP services provided by both service-based and facility-based licensees. It also suggested that OFTA should issue an industry guideline for this exemption. Zone suggested the TA to extend this exemption to all Class 2 services and differentiate the levels of emergency call service required for SBOs providing Class 2 services from that required for FNOs and SBOs providing Class 1 services.

Responses and Considerations

59. The TA has reservation regarding PCCW's suggestion of extending the exemption on emergency call service to all inbound only VoIP services, i.e. including both Class 1 and Class 2 services. Since Class 1 services are perceived to have all the equivalent attributes of conventional telephone services, the inability to make outbound calls, including emergency calls, would fail to fulfill the very definition of a Class 1 service. For Class 2 services with outbound calling capability, the TA does not agree with Zone's suggestion that they should be exempted from the requirement to support emergency calls, as this will otherwise create confusion to the users. The arrangement proposed by the TA will ensure that telecommunications users can confidently use any telephone line which is capable of making outbound calls to originate any type of calls, including both emergency calls and non-emergency calls.

60. Having considered the views and comments received, **the TA decides that he will exempt the requirement of supporting emergency call service for inbound only Class 2 services, whether they are provided by service-based or facility-based operators.** To ensure that users of the Class 2 services are explicitly informed and reminded of the inability of the concerned IP telephony services to make outgoing emergency calls, the licensees will be required to indicate clearly the limitation in their promotion, marketing and advertising materials offering service to the customers and to obtain their explicit consent before providing the service to them. The TA will spell out such a requirement under SC 21 of the Modified SBO Licence.

General Comments on Proposed GCs and SCs

Views and Comments

61. Macquarie supported the proposed licence conditions given in the sample Modified SBO Licence while China Mobile had no comments. PCCW suggested that SC 19 should be clarified such that all GCs and SCs 1 to 16 should apply to all Class 3 services. WT&T suggested that the TA should consider imposing a licence condition for SBOs to classify local and external traffic so that the current confusion on interconnection settlement concerning SBO traffic could be eliminated. The company also suggested that the TA should consider whether it is necessary to impose all the proposed GCs and SCs for all types of services presently provided by PNETS licensees (i.e. Class 3 services in the future), since most of them are small and medium enterprises.

Responses and Considerations

62. The TA noted PCCW's suggestion regarding SC 19. Corresponding editorial amendment will be made to the wording of the licence condition for the avoidance of doubt on the applicability of all GCs and SCs 1 to 16 to all Class 3 services (see also paragraph 67). For separation of local and external traffic by an SBO, the TA believes this is a matter of detailed technical arrangement which should better be sorted out between the SBO and its hosting network operator. Moreover, since there is no similar licence condition under the UCL for facility-based operators, the TA considers it inappropriate and burdensome to impose the obligation on SBO Licensees only. As a matter of principle, the TA would ensure that all the licence conditions imposed on a licensee are commensurate with the services authorized under that licence and are based on existing obligations for operators providing similar services under other licences.

63. Having considered the views and comments received, **the TA decides to adopt the set of GCs and common SCs as given in the sample Modified SBO Licence in Annex 3.** Other than the licence conditions stipulated in Annex 3, the TA may, depending on the specific circumstances, attach other SCs to an SBO Licence. Such circumstances may arise because of the specific services provided by a licensee, the specific commitments of a licensee at the time when it applies for the licence, and/or legacy obligations which have to be transplanted to an SBO Licence replacing an existing licence.

MIGRATION ARRANGEMENT

64. When the Modified SBO Licence is put in place, the TA proposed to process all new applications for provision of Class 1, Class 2 and Class 3 services under the new licence. The TA will no longer issue and renew any PNETS Licence thereafter. Existing PNETS Licences will remain in force until their next annual renewal dates, when they shall be replaced by the Modified SBO Licence if the licensees wish to continue operation of the concerned services. For existing SBO Licences, they will remain in force until their annual renewal dates when licensees should return their licences to the TA for replacement by the new version of the SBO licence. Licensee wishing to expand the scope of service under its existing licence to provide new services covered by the Modified SBO Licence may do so by making individual application to the TA and returning its licence before the annual renewal date. The TA invited views and comments on the said implementation arrangement by posing the following question:

Question (7): Do you have any views and comments on the proposed migration arrangement for PNETS Licences and existing SBO Licences to the Modified SBO Licence?

Views and Comments

65. Macquarie supported the proposed migration. PCCW suggested that the Modified SBO Licence should be used for a licensee providing only either Class 1 / Class 2 services or for a single Class 3 service, until the ambiguity of hosting arrangement is clarified. It also suggested that OFTA should continue publishing updated information on the identity of individual licensees and the type of specific Class 3 services licensed. WT&T suggested that the TA should clarify how to enforce a regulatory instrument that has been served on a PNETS licensee upon its migration to becoming an SBO licensee.

Responses and Considerations

66. The TA has clarified the hosting arrangement under the Modified SBO Licence in paragraphs 33 to 37. Since the establishment of OFTA in 1993, the TA has been publishing in the official website of OFTA the full list of public service operators, including the PNETS licensees and the SBO licensees. To

provide transparency to the industry, the TA is committed to continue publishing the list of the SBO licensees and the services which they are authorized under their licences.

67. As already indicated in the Consultation Paper, the TA confirms that the regulatory instruments in force and applicable to PNETS and SBO licensees, such as a determination or a direction issued by the TA over the years, will continue to be applicable to the relevant licensees when they take up the new SBO Licence. For the avoidance of doubt, the TA will include a clause under SC 19¹³ of the Modified SBO Licence to require the licensee providing a Class 3 service to comply with instruments previously issued by the TA and applicable to PNETS licensees. If necessary, the TA will vary the concerned instruments or issue new instruments to remove any ambiguity.

68. Having considered the views and comments received, **the TA decides that the implementation arrangement as set out in paragraph 64 will be adopted for migration of existing PNETS and SBO licences to the Modified SBO Licence.** Since under the Modified SBO Licence, licensees may provide multiple services under a single licence, the TA would like to encourage such licensees to take the opportunity to consolidate the multiple service-based licences which they may presently hold into a single licence.

WAY FORWARD

69. In accordance with section 7 of the Ordinance, the TA will publish the form of the Modified SBO Licence together with the GCs to be imposed under the licence in the Government Gazette on 30 October 2009. The new licence will also start implementation from that date.

Office of the Telecommunications Authority
19 October 2009

¹³ Under SC 19.4 of the Modified SBO Licence, where the licensee provides any Class 3 service, the licensee shall comply with any instruments which may have been issued by the TA under the Ordinance and such other regulatory documents including guidelines or codes of practices applicable to a PNETS licensee providing a service which is equivalent to the type of Class 3 service provided by the SBO licensee.

**Description of services which may be authorized under
the Modified SBO Licence¹⁴**

Type of Service	Proposed description in Schedule 1 of the Modified SBO Licence	Remarks
Class 1 or Class 2 services (with or without provision of Class 3 services authorized)	<p>Part I</p> <p>1. Subject to General Condition 3, Clause 3 [and Clause 4] of this Schedule 1, all internal and external telecommunications services as listed in Part II, other than telecommunications services the subject of an exclusive licence issued under the Ordinance, [a Mobile Carrier Licence, a Mobile Carrier (Restricted) Licence, a Unified Carrier Licence authorizing provision of mobile services, a Public Radiocommunications Service Licence, a Radio Paging System Licence, a Public Radiocommunications Service Licence (For Services Other Than Land Mobile Services),] a service subject to licensing under any other Ordinance, or a satellite broadcasting service under a Satellite Television Uplink and Downlink Licence.</p> <p>2. For the purpose of this licence, an “internal” telecommunications service means a service for communications between points within Hong Kong ; and an “external” telecommunications service means a service for communications</p>	<p>(1) The specific services authorized for provision by the licensee (i.e. Class 1 / Class 2 services and individual type of Class 3 services) will be listed in Part II of Schedule 1. (2) Restriction for providing local voice telephony services to mobile customers in the Clauses 1 and 4 (text in square bracket) will be removed if the licensee is authorized to provide mobile voice telephony services.</p>

¹⁴ The proposed scope of service in the table is for reference only. Depending on the services proposed by the applicant, the TA will adopt the appropriate scope for the services concerned.

Type of Service	Proposed description in Schedule 1 of the Modified SBO Licence	Remarks
	<p>(a) between one or more points in Hong Kong and one or more points outside Hong Kong; and</p> <p>(b) between two or more points outside Hong Kong but routed in transit via Hong Kong.</p> <p>3. Nothing in this licence authorizes the licensee to establish or maintain (i) any means of telecommunications, including but not limited to physical facilities or telecommunications installations, which cross public streets or unleased Government lands (ii) telecommunications or radiocommunications network as a carrier licensee as defined in the Ordinance.</p> <p>[4. The scope of service specified in Clause 1 of this Schedule 1 does not include internal voice telephony services provided to mobile customers.]</p> <p>Part II</p> <p>1. Class 1 services</p> <p>Services with the same meaning as defined in Special Condition 17.2</p> <p>2. Class 2 services</p> <p>Services with the same meaning as defined in Special Condition 18.2</p> <p>3. An internal telecommunications</p>	

Type of Service	Proposed description in Schedule 1 of the Modified SBO Licence	Remarks
	<p>service which is not a Class 1 service or a Class 2 service for carrying real time voice communications which may be integrated with other types of communications.</p> <p>4. Class 3 services</p> <p>(Please refer to the following descriptions for individual types of Class 3 service if they are authorized for provision by the licensee)</p>	
Class 3 (ETS)	<p>1. The service is an external public telecommunications service operated over external leased circuits supplied by an Fixed Telecommunications Network Services Licensee, a Fixed Carrier Licensee or a Unified Carrier Licensee authorized to provide fixed services and to supply such circuits at the Hong Kong end or over other external switched telecommunications services lawfully operated in Hong Kong at the Hong Kong end.</p> <p>2. In the above description of service, “external” means communications with places outside Hong Kong.</p> <p>3. For the avoidance of doubt, the service shall not include the provision to customers of a telecommunications circuit between a point in Hong Kong (including, without limitation, a radiocommunications facility or cable termination facility) and</p>	Same description as scope of service for existing PNETS licence for External Telecommunications Services (ETS)

Type of Service	Proposed description in Schedule 1 of the Modified SBO Licence	Remarks
	<p>one or more points outside Hong Kong, and any means of telecommunications capable of facilitating such a circuit.</p> <p>4. Customers at the Hong Kong end and/or at the distant end may be connected to the service through any public switched telecommunications network or dedicated circuits.</p> <p>5. This licence does not authorize the licensee to establish and maintain any physical facilities for the supply of external circuits to customers.</p>	
Class 3 (IVANS)	<p>1. The service is a local and/or external public telecommunications service accessed by its customers via, and provided over, circuits provided by public telecommunications networks and/or public telecommunications services licensed under the Ordinance and, subject to Clauses 3 and 4 of this Schedule, may include the following service elements :</p> <p>a) data communications;</p> <p>b) non-real time facsimile communications;</p> <p>c) electronic mailbox/messaging;</p> <p>d) electronic data interchange;</p> <p>e) code, protocol and/or format conversions;</p> <p>f) database access and retrieval;</p> <p>g) value added voice services;</p> <p>h) call management services; and</p> <p>i) public teletext services.</p>	<p>(1) Similar description as scope of service for existing PNETS licence for International Value-Added Network Services (IVANS)</p> <p>(2) The Class 3 (IVANS) service will also include most of the existing services licensed under the PNETS licence for Miscellaneous Value-Added Service</p>

Type of Service	Proposed description in Schedule 1 of the Modified SBO Licence	Remarks
	<p>2. In this Schedule,</p> <p>“circuits provided by public telecommunications networks” means the dedicated circuits or switched circuits or a means of transmission by telecommunications line or radiocommunications link operated or authorised under the Ordinance.</p> <p>“external” means communications with places outside Hong Kong.</p> <p>“external circuit” means a telecommunications circuit between a point in Hong Kong (including, without limitation, a radiocommunications facility or cable termination facility) and one or more points outside Hong Kong, and any means of telecommunications capable of facilitating such circuit.</p> <p>3. “Non-real time facsimile communications” in Clause 1(b) of this Schedule refer to the following types of facsimile communications:</p> <p>(a) store and retrieve; or</p> <p>(b) store and forward (in the case of automatic delivery to the destination terminal(s), there must be at least one other function such as deferred delivery or multi-addressing).</p> <p>4. “Value added voice services” in</p>	

Type of Service	Proposed description in Schedule 1 of the Modified SBO Licence	Remarks
	<p>Clause 1(g) of this Schedule do not include basic voice service for carrying real-time voice communications which may be integrated with other types of communications.</p> <p>5. “Call management services” in Clause 1(h) of this Schedule refer to call forwarding and/or routing services which allow the redirection of an incoming voice or facsimile call to computerised call processing equipment operated by the licensee or to telephone numbers or for access to a licensed telecommunications service.</p> <p>6. “Public teletext services” in Clause 1(i) of this Schedule refer to services which involve the transmission and reception of data and information in compliance with the relevant technical standard for public teletext services issued by the Authority.</p> <p>7. For the avoidance of doubt, this licence does not authorize the licensee to establish and maintain any physical facilities for the supply of external circuits to customers.</p>	
Class 3 (MVNO)	1. The service is a mobile virtual network service provided to subscribers or customers within the territory of Hong Kong by making use of and by having access to, and interconnection with, radiocommunications infrastructure of a	Similar description as scope of service for existing PNETS licence for Mobile Virtual Network Operator (MVNO) Services

Type of Service	Proposed description in Schedule 1 of the Modified SBO Licence	Remarks
	<p>Mobile Carrier Licensee or Unified Carrier Licensee authorized to provide mobile services and assigned with the radio spectrum using which the public radiocommunications service is provided.</p> <p>2. Subject to Clause 1, the licensee shall provide the service through and by setting up, maintaining and operating the apparatus, equipment, facility, infrastructure and interconnection including but not limited to billing, switching, home location register and Intelligent Network systems but without radio transmission parts and radio base stations. For the avoidance of doubt, the licensee has not been assigned, and is not entitled to the assignment of, any radio spectrum and therefore does not operate any radio base station for the purpose of operating the service.</p> <p>3. Subject to Clause 1, the service may provide for the carriage of telephonic and non-telephonic messages.</p> <p>4. Subject to Clause 1, the service may include (but without limitation to) voice, facsimile, voice mail, electronic mail and short message services and the provision of electronic mailbox or storage facilities to be operated in conjunction with services described in this First Schedule and which enable any member of the public (whether a subscriber of the service or not) to deposit voice, facsimile, voice</p>	

Type of Service	Proposed description in Schedule 1 of the Modified SBO Licence	Remarks
	<p>mail, electronic mail, short message or other files into the electronic mailbox or storage facilities allocated to subscribers of the service or to display the same on handset or other devices of the subscriber of the service.</p> <p>5. The service includes dealing in and demonstration with a view to selling in the course of trade or business of the service and the applicant, such apparatus, facility, equipment, handset, device, accessory, material, case and packaging item for radiocommunications as may be necessary for subscribers of the service to make use of, participate in or receive the service.</p>	
Class 3 (Radio Relay)	<p>1. The service provides a telecommunications system for interconnection with the mobile services licensed under the Ordinance, and other radiocommunications services as may be authorized or directed by the Authority, for extension of the radio coverage of these services within the following areas:</p> <p style="padding-left: 40px;">Name of Building Address</p> <p>2. The service is a radio relay service for relaying the signals of mobile services licensed under the Ordinance. It does not provide any mobile service directly to the end users.</p>	Similar description as scope of service for existing PNETS licence for Public Radio Communication Relay Service (Radio Relay)
Class 3	1. The service is a local and/or external	Same description as

Type of Service	Proposed description in Schedule 1 of the Modified SBO Licence	Remarks
(Teleconference)	<p>teleconferencing service whereby customers of the service can hold audio or video conference through the facilities provided by the licensee.</p> <p>2. Connections between the facilities of the licensee in Hong Kong and the users in Hong Kong shall be made through dedicated circuits or switched circuits operated under fixed telecommunications networks licensed under the Ordinance.</p> <p>3. The licensee operates a teleconference operator centre (or call centre) and provides bridging facilities so that conference participants at different locations can see, talk and listen to one another in conference mode through the telecommunications network/circuit connections made by the licensee's system.</p> <p>4. Nothing under this licence authorizes the licensee to operate an external public telephone or non-telephone service. External calls to and from the facilities of the service in Hong Kong shall be routed through an external public telephone or non-telephonic service licensed in Hong Kong.</p>	<p>scope of service for existing PNETS licence for Teleconferencing Service (Teleconference)</p>
Class 3 (Private Payphone)	<p>1. In this licence,</p> <p>(a) "payphone" means a fixed telephone that is connected to the public switched telephone network operated by a Fixed</p>	<p>Similar description as scope of service for existing PNETS licence for Private Payphone Service</p>

Type of Service	Proposed description in Schedule 1 of the Modified SBO Licence	Remarks
	<p>Telecommunications Network Services (“FTNS”) Licensee, Fixed Carrier Licensee or Unified Carrier Licensee authorized to provide fixed services and that cannot be used to make a telephone call (other than an emergency call, a free call for access to other services provided by FTNS Licensees, Fixed Carrier Licensees or Unified Carrier Licensees authorized for provision of fixed services as may be specified by the Authority pursuant to Special Condition 28 or a call made through an operator-assisted or automated caller identity verification system) unless the user, immediately prior to using the telephone, makes, or arranges to make, a payment for that particular individual call;</p> <p>(b) “private payphone” means a payphone that is located on or over privately owned land or leased land as defined in section 2, Part I of the Government Land Ordinance (Cap. 28) and to which members of the general public have access; and</p> <p>(c) “external calls” means calls for communications with places outside Hong Kong.</p> <p>2. The service is a private payphone service provided through the use of payphone equipment established and maintained by the licensee.</p>	

Type of Service	Proposed description in Schedule 1 of the Modified SBO Licence	Remarks
	<p>3. The service may carry telephonic and non-telephonic messages.</p> <p>4. Subject to Special Condition 28, the service may include services which enable the customers to make local and external calls.</p> <p>5. The payphone equipment established and maintained by the licensee shall be connected to access lines provided by a FTNS Licensee, Fixed Carrier Licensee or Unified Carrier Licensee authorized to provide fixed services. Nothing in the licence authorizes the licensee to establish or maintain any network facilities.</p> <p>6. Nothing in this licence authorizes direct interconnection between the payphone equipment established and maintained by the licensee with the gateways for external public telephone services licensed under the Ordinance.</p>	
Class 3 (Security & Alarm)	The service is a local public telecommunications service for the transmission of security and fire alarm signals from customers' premises to a security fire service communication centre. The conveyance of the security and fire alarm signals may be made through the dedicated circuits or switched circuits provided by a Fixed Telecommunications Network Services Licensee, Fixed Carrier Licensee, Mobile Carrier Licensee, or Unified Carrier	Similar description as scope of service for existing PNETS licence for Security And Fire Alarm Signals Transmission (Security & Alarm) Service

Type of Service	Proposed description in Schedule 1 of the Modified SBO Licence	Remarks
	Licensee, or the other telecommunications network and services licensed, or deemed to be licensed, or exempt from licensing, under the Ordinance.	

Licence Fees for Modified Service-Based Operator Licence

1. A fee of
 - (a) \$25,000 where provision of Class 1 services, Class 2 services, or services other than Class 3 services is authorized under the licence; or
 - (b) \$750 for each type of Class 3 services authorized under the licence where provision of Class 3 services only is authorized under the licence

shall be payable on the issue and on each annual renewal of the licence, and where there is any expansion in scope of service authorized under the licence during the validity period of the licence, a pro-rata fee of (a) or (b) as determined by the Authority in respect of the additional service authorized for the remaining validity period of the licence shall be payable at the time when the expansion in scope of service is made to the licence.

2. A fee of \$3 for each subscriber number (“number fee”) allocated or assigned to the licensee. A subscriber number is a number in the Numbering Plan of Hong Kong within the numbering blocks allocated by the Authority to a licensee, which number may be assigned by the licensee to its customer for use of a telecommunications service. The number fee shall be payable on the issue and on each annual renewal of the licence, (i) for each subscriber number allocated to the licensee that is not ported out from the licensee’s system or assigned, as authorized by the Authority, to another licensee (who has made payment of the licence fee for such number under its licence) and (ii) for each subscriber number allocated to another licensee that is ported in to the licensee’s system or assigned, as authorized by the Authority, by another licensee (who has not made payment of the licence fee for such number under its licence) to the licensee, provided that the number fee does not apply to numbers used (if any) for the provision of the following types of services:
 - (a) external telecommunications service;
 - (b) international value-added network service;
 - (c) private payphone service;
 - (d) public radio communications relay service
 - (e) security and fire alarm signals transmission service;

- (f) teleconferencing service; and
 - (g) any other service designated by the Authority as not subject to number fee.
3. When apparatus for radiocommunications is possessed, used, established or maintained for the purposes of the services provided, the following additional fees shall be payable on the issue and on each annual renewal of the licence-
- (a) a fee of \$750 for every base or fixed station; and
 - (b) a fee of \$800 for each 100 mobile stations or less used by customers of the service.
4. Class 1, Class 2 and Class 3 services have the meanings prescribed in Special Condition 16 of the licence.

Sample Modified SBO Licence

Licence No. xxx

**TELECOMMUNICATIONS ORDINANCE
(Chapter 106)**

SERVICES-BASED OPERATOR LICENCE

DATE OF ISSUE: [Date]

[Name of Licensee]

.....

of [Address]

.....

(the “licensee”) is licensed, subject to the following conditions set out in this licence-

- (a) to provide a public telecommunications service (the “service”), the scope of which is described in Schedule 1; and
- (b) to establish and maintain a telecommunications system (the “system”) described in Schedule 2 to provide the service.
- (c) to possess, establish, use and maintain such radiocommunications apparatus as described in Schedule 3 as may be necessary to provide the service; and
- (d) to deal in and demonstrate with a view to sale in the course of trade or business, such apparatus or material for radiocommunications as may be necessary to supply customers of the service.

GENERAL CONDITIONS

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this licence, except as hereinafter provided or unless the context otherwise requires, words or expressions shall have the meanings assigned to them in the Telecommunications Ordinance (Cap. 106) (the “Ordinance”) and, as the case may be, the Interpretation and General Clauses Ordinance (Cap. 1). For the purposes of interpreting this licence, headings and titles shall be disregarded.
- 1.2 This licence shall not be construed as granting an exclusive right to the licensee to provide the service.
- 1.3 This licence replaces any licence or any exemption from licensing, however described, which the Authority may have granted to the licensee for providing the service.
- 1.4 The grant of this licence does not authorize the licensee to do anything which infringes any exclusive licence granted under the Ordinance or any exclusive right to operate and provide telecommunications networks, systems, installations or services granted under any other Ordinance.

2. TRANSFER

- 2.1 The licensee may, only with the prior written consent of the Authority and subject to such reasonable conditions as the Authority thinks fit, transfer this licence or any permission, right or benefit under this licence. In giving his consent the Authority will have regard to such matters as he thinks fit including but not limited to the effect which the transfer will have on market structure and the financial and technical competence and viability of the transferee.

3. INTERNATIONAL CONVENTIONS

- 3.1 The licensee shall at all times perform and observe the requirements of the Constitution and Convention of the International Telecommunication Union and the regulations and recommendations annexed to it, as are stated to be applicable to Hong Kong, and any other international convention, agreement, protocol, understanding or the like to the extent that the instruments described in this General Condition 3.1 impose obligations on Hong Kong of which the Authority gives notice to the licensee, except to the extent that the Authority may in writing exempt the licensee from such compliance.
- 3.2 Where the Government has been consulted about or is involved in the preparation or negotiation of an international convention, agreement, protocol or understanding or the like or amendments thereto which are on the subject-matter of telecommunications or which relate to another subject-matter but which the Government anticipates could have a material impact on the provision of the service under this licence, the Government will, where practicable, provide the licensee with a reasonable opportunity to make a submission stating its views on the matter.

4. COMPLIANCE GENERALLY

- 4.1 The licensee shall comply with the Ordinance, regulations made under the Ordinance, licence conditions or any other instruments which may be issued by the Authority under the Ordinance and such guidelines or Codes of Practices which may be issued by the Authority as in his opinion are suitable for the purpose of providing practical guidance on any particular aspect of any conditions of this licence.

5. PROVISION OF SERVICE

- 5.1 The licensee shall, subject to Schedule 1 to this licence and any special conditions of this licence relating to the provision of the service, at all times during the validity period of this licence operate, maintain and

provide a good, efficient and continuous service in a manner satisfactory to the Authority. The Authority may, on application in writing by the licensee, exempt a part or parts of the service from the requirement of continuous provision.

6. CONFIDENTIALITY OF CUSTOMER INFORMATION

6.1 The licensee shall not disclose information of a customer except with the consent of the customer, which form of consent shall be approved by the Authority, except for the prevention or detection of crime or the apprehension or prosecution of offenders or except as may be authorized by or under any law.

6.2 The licensee shall not use information provided by its customers or obtained in the course of provision of service to its customers other than for and in relation to the provision by the licensee of the service.

7. CONTROL OF INTERFERENCE AND OBSTRUCTION

7.1 The licensee shall take reasonable measures to install, maintain and operate the service and the system in such a manner as not to cause any harmful interference or physical obstruction to any lawful telecommunications service, or cause any physical obstruction to the installation, maintenance, operation, adjustment, repair, alteration, removal or replacement of the facilities of any lawful telecommunications or utility service provider.

7.2 The licensee shall take reasonable measures to ensure that the customers of the service do not cause harmful interference to lawful telecommunications services or utility services through use of the service.

7.3 The Authority may give such reasonable directions as he thinks fit to avoid harmful interference or physical obstruction referred to in General Condition 7.1. The licensee shall comply with the directions.

8. COMPLIANCE

- 8.1 If the licensee employs any person under contract for the purpose of the service, or for the installation, maintenance or operation of the system (a “contractor”), the licensee shall continue to be responsible for compliance with the conditions of this licence, and the performance thereof, by any contractor.

9. SAFETY

- 9.1 The licensee shall take proper and adequate safety measures for the safeguarding of life and property in connection with all installations, equipment and apparatus operated or used, including safeguarding against exposure to any electrical or radiation hazard emanating from the installations, equipment or apparatus operated or used under this licence.
- 9.2 The licensee shall comply with the safety standards and specifications as may from time to time be prescribed by the Authority and any directions of the Authority in relation to any safety matter.

10. PROHIBITION OF CLAIMS AGAINST GOVERNMENT

- 10.1 The licensee shall have no claim against the Government in tort or in contract in respect of any disturbance or interruption to any part of the system due to works carried out by or on behalf of the Government which result in disturbance to the system.

11. INDEMNITY

- 11.1 The licensee shall indemnify the Government against any losses, claims, charges, expenses, actions, damages or demands which the Government incurs or which may be made against the Government as a result of or in relation to the activities of the licensee or any

employee, agent or contractor of the licensee in relation to the provision of the service or the installation, maintenance and operation of the system.

12. CONTRAVENTION BEYOND LICENSEE'S CONTROL

- 12.1 The licensee shall not be liable for any breach of this licence where it is able to demonstrate, to the reasonable satisfaction of the Authority, that the breach was caused by circumstances beyond its control and that it has taken all reasonable steps open to it to rectify that breach.
- 12.2 Where the circumstances referred to in General Condition 12.1 are such that there is an outage or interruption in the service affecting a significant number of the licensee's customers for a period of more than 7 days, the licensee shall provide the Authority with a full report in writing detailing the reasons for the breach and indicating when, or if, it will be able to continue to provide the service.
- 12.3 If the Authority is, after considering a report provided under General Condition 12.2, of the reasonable belief that the licensee would be able to provide the service within a reasonable period of time despite the circumstances outlined in that report, the Authority may direct that the licensee recommence the service within such reasonable period as the Authority may in writing direct. The licensee shall comply with such direction.
- 12.4 For the avoidance of doubt, General Condition 12.1 shall apply to any of the licence conditions and the Authority may at his discretion, and on such conditions as he thinks fit, extend any time period within which the obligations of the licensee under any of the licence conditions may be met.
- 12.5 In exercising his discretion under General Condition 12.4 with respect to any of the licence conditions, the Authority shall take into account including, without limitation, whether circumstances are such that it would be unreasonable to require compliance by the licensee with the relevant licence condition.

13. PERIOD OF VALIDITY

- 13.1 This licence shall be valid for such period as determined and published by the Authority to be applicable to services-based operator licence at the time of the issue of this licence.

14. LICENCE FEES

- 14.1 The licensee shall pay the fees applicable to services-based operator licence as may from time to time be determined and published by the Authority.

15. PUBLICATION OF LICENCE

- 15.1 The licensee, or the Authority, may at their discretion make the terms and conditions of this licence, including any specific conditions, publicly available in any manner they think fit.

16. REQUIREMENTS OF RADIOCOMMUNICATIONS INSTALLATION

- 16.1 Each radiocommunications installation operated by or on behalf of the licensee shall be used only at the location and with emissions and at the frequencies and of the classes and characteristics specified in Schedule 3 to this licence and with such power and aerial characteristics as are specified in that Schedule in relation to the class and characteristics of the emission in use.
- 16.2 The apparatus comprised in each radiocommunications installation shall at all times comply with such technical standards as may be issued by the Authority.
- 16.3 The apparatus comprised in a radiocommunications installation shall

be of a type approved by the Authority and shall be so designed, constructed, maintained and operated that its use shall not cause any interference to any radiocommunications.

16.4 A radiocommunications installation shall be operated only by the licensee or a person authorized by the licensee. The licensee shall not allow an unauthorized person to have access to the apparatus comprised in a radiocommunications installation. The licensee shall ensure that persons operating each radiocommunications installation shall at all times observe the conditions of this licence.

16.5 The licensee shall not make a change –
(a) to any radiocommunications installation; or
(b) of the location of any radiocommunications installation,
without the prior written approval of the Authority.

16.6 If any telecommunications installation (including radiocommunications installation) crosses above or may fall or be blown onto any overhead power wire (including electric lighting and tramway wires) or power apparatus it shall be guarded to the reasonable satisfaction of the owner of the power wire or power apparatus concerned..

17. USE OF FREQUENCIES

17.1 The radiocommunications installation operated by or on behalf of the licensee shall only be operated on such frequencies as the Authority may assign.

17.2 The Authority may at any time, giving a reasonable notice in writing to the licensee, require him upon such date as may be specified in the notice to cease using any frequency previously assigned to him by the Authority and to use such new frequency as the Authority may designate.

SPECIAL CONDITIONS

1. PROVISION OF SERVICE

- 1.1 The licensee shall, subject to Schedule 1 and any special conditions of this licence relating to the provision of the service, provide the service on its published terms and conditions and at the tariff published in accordance with Special Condition 4 (as applicable) on request of a customer whether or not the customer intends the service to be available for its own use or intends to utilize the service to provide a lawful telecommunications service to third parties.
- 1.2 Subject to Schedule 1 and any special conditions relating to the provision of the service, the licensee shall comply with a customer request for the service as tariffed by the licensee in accordance with Special Condition 4 where the service reasonably could be provided by the licensee to the customer.

2. NUMBERING PLAN

- 2.1 The licensee shall conform to a numbering plan made or approved by the Authority and any directions given by the Authority in respect of the numbering plan.
- 2.2 The licensee shall at the request of the Authority or otherwise consult the Authority about the arrangements for the allocation and reallocation of numbers and codes within the numbering plan.
- 2.3 Where requested by the Authority, the licensee shall prepare and furnish to the Authority proposals for developing, adding to or replacing the numbering plan relating to the service.

3. REQUIREMENT TO FURNISH INFORMATION TO THE AUTHORITY

- 3.1 The licensee shall furnish to the Authority, in such manner and at such times as the Authority may request in writing, such information related to the business run by the licensee under this licence, including financial, technical and statistical information, accounts and other records, as the Authority may reasonably require in order to perform his functions under the Ordinance and this licence.
- 3.2 Subject to Special Condition 3.3, the Authority may use and disclose information to such person as the Authority thinks fit.
- 3.3 Where the Authority proposes to disclose information obtained and the Authority considers that the disclosure would result in the release of information concerning the business or commercial or financial affairs of a licensee which disclosure would or could reasonably be expected to adversely affect the licensee's lawful business or commercial or financial affairs, the Authority will give the licensee a reasonable opportunity to make representations on the proposed disclosure before the Authority makes a final decision whether to disclose the information.

4. TARIFFS

- 4.1 The licensee shall publish and charge no more than the tariffs for the service operated under this licence. The tariffs shall include the relevant terms and conditions for the provision of the service. The licensee shall send a copy of published tariff to the Authority upon the request of the Authority;
- 4.2 Publication shall be effected by –
- (a) placing a copy in a publicly accessible part of the principal business place and other business premises of the licensee as advised by the Authority; and
 - (b) sending a copy to any person who may request it. The licensee shall not levy a charge greater than that is necessary to cover reasonable costs involved.

5. BILLING AND METERING ACCURACY

- 5.1 The licensee shall take all reasonable steps to ensure that any metering equipment and billing system used in connection with the service is accurate and reliable.
- 5.2 Upon the written request of the Authority, the licensee shall conduct tests on metering equipment and billing system to assess its accuracy, reliability and conformity to the technical standards, if any, specified by the Authority. The licensee shall submit the test result to the Authority within 14 days after the date of the test or such other longer period as the Authority may determine.
- 5.3 The licensee shall keep such records of any metering equipment and billing system in such form as may be specified by the Authority and shall supply such records to the Authority on the written request of the Authority.

6. UNIVERSAL SERVICE CONTRIBUTION

- 6.1 Where directed by the Authority, the licensee shall pay to one or more fixed carrier licensees or unified carrier licensees or other licensees, as the case may be, its relevant share of the universal service contribution to assist those licensees to meet their universal service obligations, if any.
- 6.2 Any universal service contribution shall be subject to annual review by the Authority as to description and quantum and the licensee shall pay its relevant share of such universal service contribution as the Authority may direct following a review. On the completion of an annual review, the Authority will supply the licensee such information as the Authority is reasonably able to supply, and subject to any duty of confidentiality, as to the basis on which the universal service contribution is calculated.
- 6.3 For the purpose of this Special Condition 6, the following definitions

shall apply:

- (a) Universal service contribution is that sum calculated in accordance with a formula adopted annually by the Authority, to ensure that any licensee with a universal service obligation (referred to as “universal service provider” in this Special Condition) , receives a fair contribution from other licensees as specified by the Authority for serving customers with basic service whom would otherwise not be served because it is not economically viable to do so but who are required to be served under the universal service obligation.

- (a) Universal service obligation is the obligation by a licensee to provide, maintain and operate the relevant network in such manner as to ensure that a good, efficient and continuous basic service is reasonably available, subject to the Ordinance the conditions of the relevant licence, and to provide that basic service in such manner.

7. INTERCONNECTION CHARGES, INCLUDING WITHOUT LIMITATION, LOCAL ACCESS CHARGE AND INTERNATIONAL CALL FORWARDING SERVICE CHARGE

- 7.1 For the interconnection between the facilities or services of the licensee and the networks, systems and services of other licensees for the delivery of traffic for the users of the service in Hong Kong, the licensee shall pay such interconnection charges, including, without limitation, local access charges, and access charge or origination charge for interconnection necessary for the provision of international call forwarding service as may be determined by the Authority from time to time under section 36A of the Ordinance and at the level and to such licensees as may be specified by the Authority in the determination.

- 7.2 The licensee shall comply with any code of practice concerning technical configuration and operation of the service that may be issued by the Authority from time to time after consultation with the

relevant licensees for the purpose of implementing the terms under the determination referred to in Special Condition 7.1 for interconnection charges, local access charges and access charge or origination charge for interconnection necessary for the provision of international call forwarding service, and the prevention of non-compliance with the determination.

8. CALLING LINE IDENTIFICATION AND RELATED SERVICES

8.1 The licensee shall conform to any regulatory guide, code of practice or direction issued by the Authority in respect of calling line identification and other calling line identification related services.

8.2 Without limiting the generality of Special Condition 8.1, the regulatory guide, code of practice or direction issued under that Special Condition may require the licensee to validate the calling line identification against the authenticated customer in order to prevent fraud and spam.

9. PROVISION OF INFORMATION TO CUSTOMERS

9.1 Without prejudice to the other terms and conditions of this licence, the licensee shall provide or make available the following information to the customers when the services are offered:

- (a) Name of the licensee;
- (b) Licence number of the licensee under this licence;
- (c) Customer service hotline number(s);
- (d) Where applicable, the access code(s) or number(s) (including any access password) used for obtaining the services;
- (e) Instructions on how to access the services;

- (f) The tariffs under which the services are offered; and
- (g) The duration or validity period of the services offered.

10. INSPECTION

- 10.1 On receiving reasonable prior written notice from the Authority, the licensee shall allow the Authority and any person authorized in writing by him for the Authority's own purposes to enter and inspect the offices, places and premises in Hong Kong where the licensee has installed telecommunications equipment, or used for the provision of the service and if required to make copies of records, documents and accounts relating to the licensee's business for the purpose of enabling the Authority to perform his functions under the Ordinance and ensure the licensee's compliance with the general conditions and special conditions of this licence and the Ordinance.
- 10.2 The licensee shall provide and maintain, at no less than the reasonable technical standards set by the Authority, facilities to enable the Authority to inspect, test, read or measure, as the case may be, any telecommunications installations, equipment (including, but not limited to testing instruments) or premises used or to be used for the provision of the service, and may at its option, and shall on the written request of the Authority, and subject to the provision by the Authority of reasonable prior written notice, provide a representative to be present at any such inspection, testing, reading or measurement.
- 10.3 On giving reasonable prior written notice, the Authority may direct the licensee to demonstrate that the service complies with the technical requirements imposed by the Ordinance and Regulations or any other instruments which may be issued by the Authority under the Ordinance and the licensee shall comply with such directions.
- 10.4 For the purpose of Special Conditions 10.2 and 10.3, the licensee shall provide adequate testing instruments and operating staff.

11. TELECOMMUNICATIONS NUMBER TRANSLATION DEVICE

- 11.1 The licensee shall comply with any directions given in writing by the Authority in relation to the use of a telecommunications number translation device for access to the service.
- 11.2 The licensee shall bear all the costs and financial losses incurred due to full compliance with the directions mentioned in Special Condition 11.1.
- 11.3 In this condition, “telecommunications number translation device” shall mean a device which translates a number input via the normal dialling pad into another number for access to specified destinations or services, but does not include a device which generates such a number upon input through a special function key or a combination of special function keys and the normal dialling pad. The “normal dialling pad” means the dialling pad comprising the buttons for digits 0 to 9, and for “*” and “#”.

12. REQUIREMENTS FOR INTERCONNECTION

- 12.1 Where the customers to the service are assigned with numbers from the numbering plan of Hong Kong as stipulated in Special Condition 2.1, the licensee shall interconnect the service and the system with other networks, systems and services licensed under the Ordinance in such a manner that enables the customers to the service to make and receive calls to and from all other users assigned with numbers from the said numbering plan. Where directed by the Authority, the licensee shall interconnect its service and system with other networks, systems and services licensed under the Ordinance, and with telecommunications networks, systems and services of a type mentioned in section 36A(3D) of the Ordinance. The licensee shall interconnect its service and system with the networks, systems and services of other interconnecting parties under this Special Condition to ensure any-to-any connectivity, i.e. any customer in any one network / system

can have access to any other customer in any interconnecting network / system and, where directed by the Authority, to any service offered in any interconnecting network / system.

12.2 The licensee shall use all reasonable endeavours to ensure that interconnection is effected promptly, efficiently and on terms, conditions and at charges which are based on the licensee's reasonable relevant costs attributable to interconnection.

12.3 The licensee shall provide facilities and services reasonably necessary for the prompt and efficient interconnection of the service and system with the telecommunications networks, systems or services of the other entities referred to in Special Condition 12.1. Such facilities and services include –

(a) carriage services for the delivery of codes, messages or signals or other communication across and between the interconnected networks and systems;

(b) those necessary to establish, operate and maintain points of interconnection between the licensee's system and the networks and systems of the other entities, including, without limitation, the provision of sufficient transmission capacity to connect between the licensee's network and networks of the other entities;

(c) billing information reasonably required to enable the other entities to bill their customers;

(d) facilities specified by the Authority pursuant to section 36AA of the Ordinance; and

(e) ancillary facilities and services required to support the above types of interconnection facilities and services.

13. COMPLIANCE WITH CODES OF PRACTICE

13.1 Without limiting or affecting in any way the licensee's obligations

under any other licence condition, the licensee shall comply with any code of practice or guideline which may be issued by the Authority from time to time for the purpose of providing practical guidance to the licensee in respect of:

- (a) the provision of satisfactory service;
- (b) the protection of customer information; and
- (c) the protection and promotion of the interests of consumers of telecommunications goods and services

13.2 Before issuing any code of practice or guideline referred to in Special Condition 13.1, the Authority shall carry out such consultation as is reasonable in all the circumstances of the case.

14. RECORDS AND PLANS

14.1 The licensee shall keep records and plans of the system to be installed (including radiocommunications installations) under this licence, including system configuration, architecture and operation, and if appropriate, how the system is interconnected with other networks, systems and services, and any other details concerning the service provided under this licence as may be reasonably required by the Authority.

14.2 As required by the Authority, the licensee shall make the information on the records and plans of the system in Special Condition 14.1 available, within reasonable time, to the Authority or to a person authorized in writing by the Authority for inspection for the Authority's own purposes.

15. SERVICE CONTRACTS AND DISPUTE RESOLUTION

15.1 The licensee shall comply with all codes of practice issued by the Authority from time to time in respect of the requirements to apply in

the contracting of telecommunications services to end users.

15.2 The contracting requirements referred to in Special Condition 15.1 may include the following –

(a) the style, format and structure of service contract documentation;

(b) the manner of entering into and terminating service contracts;

(c) the information to be included in or in connection with service contracts and the performance of the services;

(d) the submission of disputes between end users and the providers of telecommunications services to independent dispute resolution, pursuant to a scheme approved by the Authority; and

(e) other terms and conditions or provisions for the protection of the interests of end users.

15.3 Before issuing any code of practice for the purposes of Special Condition 15.1, the Authority shall carry out such consultation as is reasonable in the circumstances.

16. INTERPRETATION

16.1 For the avoidance of doubt and for the purposes of the Special Conditions in this licence –

“Class 1 service” means the service as defined in Special Condition 17.2 but does not include any type of Class 3 service;

“Class 2 service” means the service as defined in Special Condition 18.2 but does not include any type of Class 3 service;

“Class 3 service” means, subject to Schedule 1, the following types of non-facility based public telecommunications service -

(a) external telecommunications service;

- (b) international value-added network service;
- (c) mobile virtual network operator service;
- (d) private payphone service;
- (e) public radio communications relay service;
- (f) security and fire alarm signals transmission service; and
- (g) teleconferencing service
- (h) any other service designated by the Authority as a “Class 3 service”

but does not include Class 1 service and Class 2 service;

“mobile virtual network operator” means the holder of public non-exclusive telecommunications services licence or services-based operator licence for provision of mobile virtual network operator services;

“mobile virtual network operator service” is a mobile virtual network service provided to subscribers or customers within the territory of Hong Kong Special Administrative Region by making use of and by having access to, and interconnection with, radiocommunications infrastructure of a mobile carrier licensee or unified carrier licensee authorized to provide mobile services and assigned with the radio spectrum using which the mobile service or public radiocommunications service is provided.

“payphone” means a fixed telephone that is connected to the public switched telephone network operated by a Fixed Telecommunications Network Services (“FTNS”) licensee, a fixed carrier licensee or a unified carrier licensee authorized to provide fixed services and that cannot be used to make a telephone call (other than an emergency call, a free call made pursuant to Special Condition 28.5 or a call made through an operator-assisted or automated caller identity verification system) unless the user, immediately prior to using the telephone, makes, or arranges to make, a payment for that particular individual call;

“private payphone” means a payphone that is located on or over privately owned land or leased land as defined in section 2, Part I of the Government Land Ordinance (Cap. 28) and to which members of

the general public have access; and

“services-based operator” means the holder of a services-based operator licence.

- 16.2 Any reference to an ordinance or a regulation, whether the word is used by itself or as part of any title to an ordinance or a regulation, shall mean that ordinance or regulation for the time being in force as well as any modification or substitution of that ordinance or regulation, in whole or in part, and all subsidiary legislation, regulations, directions, codes of practice and instruments made under that ordinance or regulation and for the time being in force.
- 16.3 The singular includes the plural and vice versa.

SPECIAL CONDITIONS FOR CLASS 1, CLASS 2 AND CLASS 3 SERVICES

17. APPLICABILITY OF CERTAIN SPECIAL CONDITIONS FOR CLASS 1 SERVICE

17.1 Where the licensee provides a “Class 1 service” defined in Special Condition 17.2, Special Conditions 20 to 24 shall apply in addition to all General Conditions and Special Conditions 1 to 16.

17.2 For the purpose of this licence, “Class 1 service” means an internal telecommunications service

(a) for carrying real-time voice communications which may be integrated with other types of communications;

(b) which is capable of allowing customers to make and receive calls to and from parties assigned with numbers from the numbering plan of Hong Kong;

(c) to which customers are assigned with numbers from the numbering plan of Hong Kong; and

(d) which is not a “Class 2 service” as defined in Special Condition 18.2.

18. APPLICABILITY OF CERTAIN SPECIAL CONDITIONS FOR CLASS 2 SERVICE

18.1 Where the licensee provides a “Class 2 service” defined in Special Condition 18.2, Special Conditions 20 to 22 shall apply in addition to all General Conditions and Special Conditions 1 to 16.

18.2 For the purpose of this licence, “Class 2 service” means an internal telecommunications service

- (a) for carrying real-time voice communications which may be integrated with other types of communications;
- (b) which is capable of allowing customers to make and receive calls to and from parties assigned with numbers from the numbering plan of Hong Kong;
- (c) to which customers are assigned with numbers from the numbering plan of Hong Kong; and
- (d) in the provision of which –
 - (i) the licensee (and where appropriate its agents, contractors and resellers) in all promotion, marketing or advertising materials concerning such service declares the service as a “Class 2 service” (where the materials are in English text), or “第二類服務” (where the materials are in Chinese text); or
 - (ii) the licensee, in lieu of (i), complies with such conditions as may be specified by the Authority in a direction that may be issued by the Authority.

19. COMPLIANCE AND APPLICABILITY OF CERTAIN SPECIAL CONDITIONS FOR CLASS 3 SERVICES

19.1 Where the licensee provides a mobile virtual network operator service as defined in SC 16.1, Special Conditions 20, 21, 23 to 26 shall apply in addition to all General Conditions, Special Conditions 1 to 16 and other Special Conditions applicable for the services it provides as specified in Special Conditions 17, 18 and 19.2.

19.2 Where the licensee provides a private payphone service as defined in SC 16.1, Special Conditions 27 to 28 shall apply in addition to all General Conditions, Special Conditions 1 to 16 and other Special Conditions applicable for the services it provides as specified in Special Conditions 17, 18 and 19.1.

- 19.3 For the avoidance of doubt, where the licensee provides any Class 3 service, all General Conditions and Special Conditions 1 to 16 shall apply.
- 19.4 Without affecting the generality of General Condition 4, where the licensee provides any Class 3 service, the licensee shall comply with any instruments which may have been issued by the Authority under the Ordinance and such other regulatory documents including guidelines or Codes of Practices for compliance by holders of public non-exclusive telecommunications service licence providing a service which is equivalent to the type of Class 3 service provided by the licensee.

20. NUMBER PORTABILITY

- 20.1 The licensee shall, in such manner as the Authority may direct, facilitate the portability of numbers from the numbering plan of Hong Kong as stipulated in Special Condition 2.1 and assigned to any customer of an internal telecommunications service provided by any services-based operator licensee for carrying real-time voice communications (which may be integrated with other types of communications) which is interconnected with systems and services under fixed telecommunications network services licences or fixed carrier licences or unified carrier licences authorizing the provision of fixed services,, or any customer of any unified carrier licensee, fixed carrier licensee or fixed telecommunications network services licensee, mobile carrier licensee, mobile virtual network operator, or any other licensee, as the case may be so that any number so assigned may be used by that customer should it cease to be a customer of any such entity and become a customer of an internal telecommunications service provided by any other services-based operator licensee for carrying real-time voice communications (which may be integrated with other types of communications) which is interconnected with systems and services under fixed telecommunications network services licences or fixed carrier licences or unified carrier licences authorizing the provision of fixed services, or a customer of unified carrier licensee, fixed carrier licensee or fixed telecommunications

network services licensee, mobile carrier licensee, mobile virtual network operator, or any other licensee, as the case may be.

20.2 The licensee shall make commercial arrangements with one or more fixed carrier or fixed telecommunications network services licensees or unified carrier licensees authorized to provide fixed services to fulfil the obligations of facilitating the portability of numbers under Special Conditions 20.1 and conform to any code of practice issued by the Authority in respect of procedures for handling number portability.

20.3 For the purposes of this Special Condition, “portability of numbers” means the function of the network, system and service which enables a customer of the service of a unified carrier licensee, fixed carrier or fixed telecommunications network services licensee, mobile carrier licensee, services-based operator or mobile virtual network operator to become a customer of another unified carrier licensee, fixed carrier or fixed telecommunications network services licensee, mobile carrier licensee, services-based operator or mobile virtual network operator or any other licensee, as the case may be, without changing the number assigned to that customer.

21. EMERGENCY CALL SERVICE

21.1 Where the customers to the service are assigned with numbers from the numbering plan of Hong Kong as stipulated in Special Condition 2.1, the licensee shall provide a public emergency call service by means of which any member of the public may, at any time and without incurring any charge, by means of compatible apparatus connected to the system, communicate as quickly as practicable with the Hong Kong Police Emergency Centre or other entity as directed by the Authority to report an emergency.

21.2 Where the licensee provides a public emergency call service pursuant to Special Condition 21.1 and the location of the customer making the call is potentially nomadic, the licensee shall in such manner as may be specified by the Authority maintain the most up-to-date location information of customers and provide free of charge, to the Hong

Kong Police Emergency Centre or other entity referred to in Special Condition 21.1, the relevant information relating to the location of a customer calling the emergency service described in Special Condition 21.1 for the sole purpose of responding to that call and (as appropriate) identification that the location of the customer making the call is potentially nomadic. The licensee shall provide a mechanism whereby the customers can update their location information and remind the customers to update their location information whenever they change the location from which the service is used.

21.3 The Authority may grant exemption to the licensee for any particular obligations imposed under Special Condition 21.1. The licensee shall comply with any conditions which may be specified by the Authority or any guideline which may be issued by the Authority for such exemption.

21.4 Where the licensee is exempted by the Authority from the provision of a public emergency call service pursuant to Special Condition 21.1 for any particular group of customers, it shall clearly indicate the non-provision of the public emergency call service to that group of customers in all promotion, marketing or advertising materials offering service to the customers and obtain their explicit consent on the non-provision of the public emergency call service before providing service to them.

22. BACKUP POWER SUPPLY

22.1 The licensee shall conform to any guideline or code of practice issued by the Authority in respect of the provision of backup power supply to the service.

22.2 Unless there is backup power supply available in such manner as may be specified by the Authority to maintain continuity of the service without any deterioration in quality of the service during interruption of mains power supply on the customer's premises, to the network, or to any system or equipment delivering the service to the customer, the licensee shall not provide the service to users whose "lifeline devices"

are connected to the service.

22.3 Where no backup power supply is available in such manner as described in Special Condition 22.2, the licensee is deemed to have complied with Special Condition 22.2 if

(a) the customers have, before or upon subscription of service, confirmed that the service will not be used by lifeline users or connected with lifeline devices; and

(b) the licensee has affixed a label to the wall socket panel or any equipment installed on the customers' premises or taken other reasonable steps to remind the customers that the service is not suitable for connection to lifeline devices.

22.4 In this Special Condition, a "lifeline device" means a medical alarm or any other device for an elderly, infirm or invalid to summon assistance in the event of an emergency without having to dial manually the telephone number of the emergency service.

23. DIRECTORY INFORMATION AND DIRECTORY INFORMATION SERVICE

23.1 For the purposes of this Special Condition –

(a) "directory information" means information obtained by the licensee in the course of the provision of Class 1 service under this licence concerning or relating to the name, address, business and telephone numbers of each of its customers;

(b) "raw directory information" means the licensee's directory information held in a basic format relating to all of its customers of Class 1 service other than its customers who request that directory information about them not be disclosed.

23.2 This Special Condition applies only in respect of standard printed directories and other directory databases and services which include

all of the names of a licensee's customers listed in alphabetical order and does not apply to classified directories where customers are listed by business or trade category or to other business or specialised directories.

23.3 Subject to compliance with the Personal Data (Privacy) Ordinance (Cap. 486), General Condition 6 and any applicable law, the licensee shall

(a) where and as directed by the Authority, publish or arrange at least biennially for the publication of directory information in a printed or other form approved by the Authority, relating to all its customers of Class 1 service, other than its customers who request not to be included in a directory to be published ("the printed directory"); and

(b) where and as directed by the Authority, establish, maintain and operate, or arrange for the establishment, maintenance or operation of a telecommunications service whereby customers of Class 1 service may, upon request, be provided with directory information other than that of its customers of Class 1 service who request the information not to be disclosed ("the telephonic directory service").

23.4 The printed directory and the telephonic directory service provided under Special Condition 23.3 shall be made available free of charge, unless approved otherwise by the Authority, to all of the licensee's customers of Class 1 service and shall be provided in a manner satisfactory to the Authority.

23.5 The licensee shall make commercial arrangements with one or more fixed carrier or fixed telecommunications network services licensees or unified carrier licensees authorized to provide fixed service to fulfil the obligations of providing the printed directory and the telephonic directory service under this Special Condition.

23.6 The licensee's printed directory shall be a unified printed directory and the licensee's telephonic directory service shall be a unified telephonic

directory service and shall utilise a unified directory database, containing directory information on all customers of Class 1 service provided by services-based operator licensees, and directory information on all customers required to be included into a unified printed directory and provided with a unified telephonic directory service by fixed carrier or fixed telecommunications network services licensees or unified carrier licensees authorized to provide fixed services pursuant to their relevant licence conditions, except for those customers who request that directory information about them not be disclosed. The licensee shall provide, and regularly update, raw directory information about its customers of Class 1 service to the fixed carrier or fixed telecommunications network services licensees or unified carrier licensees authorized to provide fixed services with whom the licensee shall make commercial arrangements pursuant to Special Condition 23.5.

24. CUSTOMER CHARTER

24.1 Unless a waiver in writing is granted by the Authority, the licensee shall prepare a customer charter which sets out the minimum standards of service to the licensee's customers and gives guidance to the employees of the licensee in their relations and dealings with customers.

25. LOCATION SERVICES

25.1 Without affecting the generality of General Condition 6, “information of a customer” referred to in General Condition 6.1 and “information provided by its customers or obtained in the course of provision of service to its customers” referred to in General Condition 6.2 shall include any information concerning the locations of customers obtained in the course of provision of the service.

25.2 Where the licensee provides services to customers using the information concerning the locations of the customers obtained in the course of provision of the service, the licensee shall ensure that –

- (a) no such services are provided without the prior consent of the relevant customers; and
- (b) the customers are capable of suspending the use of the information from time to time.

26. PROVISION OF SERVICE TO SUSPECTED STOLEN RADIOCOMMUNICATIONS APPARATUS

26.1 The licensee shall, where directed by the Authority, refuse to provide the service to any person who possesses or uses a radiocommunications apparatus which is stolen or suspected stolen goods.

27. SINGLE PAYPHONE - COMMON ACCESS

27.1 Unless exemption has been granted in writing by the Authority, the licensee shall comply with an interim “Single Payphone - Common Access” (“Common Access”) requirement which enables payphone service users to make use of each of the payphone equipment established and maintained by the licensee on any given site to access the services offered by all FTNS licensees, fixed carrier licensees and unified carrier licensees authorized to provide fixed services, if

- (a) the licensee establishes and maintains, directly or indirectly through its affiliates, six or more payphones on that particular site;
- (b) the call being made is an external call; and
- (c) the call is not paid for by coins or stored-value phonecards.

27.2 For the purpose of Special Condition 27.1, the Authority will consider that the interim “Common Access” requirement is met if the licensee provides

- (a) direct access to the services of the FTNS licensee, fixed carrier licensee or unified carrier licensee authorized to provide fixed services providing the access line to the payphone concerned; and
- (b) indirect access through the network to which the payphone is connected to the services of the other FTNS licensees, fixed carrier licensees or unified carrier licensees authorized to provide fixed services in accordance with the numbering levels specified by the Authority from time to time.

27.3 For the purpose of Special Condition 27.1(a), the boundary of a site shall be as delineated in the relevant land lease registered in the Land Registry for the plot of land on or over which the payphones are located.

27.4 For the purpose of Special Condition 27.1(c), “stored-value phonecards” mean phonecards which have incorporated magnetic strips or other types of memory devices to store the remaining value of the phonecards.

27.5 The licensee shall comply with any directions in writing by the Authority regarding the implementation of the full “Single Payphone – Common Access” requirement. Any direction given under this clause may take effect on such date as may be specified in the direction.

28. PROVISION OF PAYPHONE SERVICE

28.1 For local calls, the licensee shall not charge more than the published tariff for the corresponding private payphone service of the FTNS licensee, fixed carrier licensee or unified carrier licensee (authorized to provide fixed services) providing the access line connected to the payphone of the licensee.

28.2 For external calls,

- (a) the licensee shall not impose a surcharge on the published tariffs (for a corresponding external call made over a private payphone service) of the FTNS licensee, fixer carrier licensee or unified carrier licensee (authorized to provide fixed services) providing the service chosen by the user; and
 - (b) the licensee shall not require the user to deposit coins or make payment in any other form before access is provided to the service chosen by the user.
- 28.3 The licensee shall display the applicable tariffs, including those of all FTNS licensees, fixer carrier licensees and unified carrier licensees authorized to provide fixed services in case of a “Common Access” payphone, in a manner conforming to the Code of Practice issued by the Authority.
- 28.4 The licensee shall only use the private payphones with particulars as specified in Schedule 4 to this licence for the provision of service. The licensee shall notify the Authority within 14 days if there is any addition, removal or change of the particulars of the private payphones as specified in the Schedule to this licence. The licensee shall return this licence to the Authority for amendment of the Schedule to this licence whenever the Authority considers it necessary.
- 28.5 The licensee shall provide a public emergency call service by means of which any member of the public may, at any time and without incurring any charge, by making use of payphone equipment provided to communicate as quickly as practicable with the Hong Kong Police Emergency Centre or other entity as directed by the Authority to report an emergency.
- 28.6 The licensee shall provide free access to other services provided by FTNS licensees, fixer carrier licensees and unified carrier licensees authorized to provide fixed services as may be specified by the Authority from time to time.

SCHEDULE 1

SCOPE OF THE SERVICE

SCHEDULE 2

DESCRIPTION OF THE SYSTEM

All such telecommunications installations established, maintained, possessed or used whether owned by the licensee, leased, or otherwise acquired by the licensee for the purpose of providing the public telecommunications services specified in Schedule 1.

SCHEDULE 3

TECHNICAL PARTICULARS OF RADIO STATIONS FOR THE PROVISION OF THE SERVICE

SCHEDULE 4

PARTICULARS OF PAYPHONE EQUIPMENT INSTALLATIONS

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for Telecommunications Authority