

# Communications Authority supports Government's proposals to enhance telecommunications regulatory framework

The following is issued on behalf of the Communications Authority:

The Communications Authority (CA) today (February 18) provided its views to the Commerce and Economic Development Bureau (CEDB) in response to the Consultation Paper entitled "Review of Telecommunications Regulatory Framework" issued by the CEDB.

"The advent of the fifth generation mobile (5G) service and Internet of Things (IoT) era provides new opportunities. Ensuring that the regulatory regime for the telecommunications sector remains up to date and in line with international best practice will underpin the continual competitiveness of the telecommunications sector, promote further business development of the telecommunications sector, and ultimately facilitate society to benefit from the new generation of communications technologies. The CA therefore considers the current review by the CEDB to be timely, and concurs that the proposals in the Consultation Paper will be conducive to promoting the further development of the telecommunications industry," a spokesman for the CA said.

A gist of CA's views on the major proposals in the Consultation Paper is set out below.

## Regulation of telecommunications functions of devices in the 5G and IoT era

With the advent of 5G technology and services, it is expected that an expanded set of smart devices, in a much wider range beyond that originally conceived under the existing provisions of the Telecommunications Ordinance (TO), would be connected to the public telecommunications networks under innovative services and applications to be unveiled in the short-term future. These smart devices may include any products with digital functionality such as vehicles, medical equipment, or even home electrical appliances, but they may not be primarily designed or used for provision of telecommunications services by licensees under the TO.

The CA welcomes the CEDB's proposal to state clearly that the CA's regulatory powers and duties will be on the telecommunications functions of telecommunications equipment and 5G/IoT devices, while the non-telecommunications functions and other aspects (e.g. electrical functions and general safety aspects) of such equipment and devices will be regulated by other competent authorities under other dedicated legislation as appropriate. This can provide a clearer legal basis to enable the CA to focus its efforts and resources on its core duty.

## Protection of underground telecommunications infrastructure

The integrity of underground telecommunications infrastructure is important for the general public. The CA supports the proposal of introducing new criminal liabilities against any person who, without taking reasonable care in carrying out road works, causes damage to underground telecommunications facilities to enhance the existing safeguards and protection provided under the TO. The CA believes this would provide the much-needed deterrence and accord better protection for both the telecommunications operators and the public from network outage in the future.

## Simplifying the issue of non-carrier licences

The imminent arrival of the 5G and IoT era is set to kick off the development of various new and innovative facilities-based services providing advanced and dedicated functionality to niche applications. Unlike conventional public mobile services, these new services would likely be operating with a more limited scope and at a much smaller scale, such as those supporting smart city applications on a localised basis like at campuses and technology parks.

The CA therefore welcomes the CEDB's proposal to streamline the existing mechanism for issuing non-carrier licences for certain facilities-based telecommunications services. The proposed streamlined mechanism would enable the CA to shorten the lead time for authorising innovative telecommunications services and facilitate telecommunications operators to bring in new and innovative services to the market in a more timely manner for the benefit of both the business sector and the general public.

## Improving the appeal mechanism under the TO

The CEDB proposes to further enhance the current appeal mechanism by establishing an independent appeal board to handle grievances involving non-competition related regulatory decisions of the CA. The CA notes that the categories of decisions proposed to be put under the purview of the intended appeal board are essentially those which would have a bearing on licensees' businesses and operation. The CA therefore considers the proposal reasonable.