

WORLD TRADE ORGANIZATION

RESTRICTED

S/NGBT/W/12/Add.4/Rev.1

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(96-0388)

Negotiating Group on Basic Telecommunications

Original: English

COMMUNICATION FROM HONG KONG

Draft Offer on Basic Telecommunications

Revision

The following communication is circulated at the request of Hong Kong to members of the Negotiating Group on Basic Telecommunications.

Further to our initial offer contained in S/NGBT/W/12/Add.4 dated 2 August 1995, Hong Kong is pleased to submit the attached revised conditional draft offer on basic telecommunications.

As regards possible additional commitments on the technical and conceptual issues which are still being discussed in the Negotiating Group on Basic Telecommunications, we feel that there is some way to go before an agreement could be reached in those discussions. Nevertheless for transparency regarding Hong Kong's regime and commitment to the track of negotiations, Hong Kong is also pleased to attach a note on certain of the items being discussed for the information of the Negotiating Group.

The draft offer is conditional and Hong Kong reserves the right to make amendments to it at any time prior to the conclusion of the track of negotiations on basic telecommunications.

HONG KONG - REVISED DRAFT OFFER

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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
COMMUNICATION SERVICES <u>Telecommunications Services</u> Basic local services; wire or radio-based; facilities-based or on a resale basis only; in each of the following sub-sectors:	(1) None except traffic/services carried on tele-communications transport networks provided to the public must be routed on facilities established in Hong Kong. Certain external services and circuits are provided by the Hong Kong Telecom International Ltd. under an exclusive licence until September 2006. (2) None (3) None other than the following: - the supply of radio services is subject to availability of radio frequencies; - commercial presence must take the form of a company; ¹	(1) None (2) None (3) None	

¹"Company," means broadly, a company incorporated in Hong Kong under the Companies Ordinance, or a company incorporated outside Hong Kong which established a place of business and registered as such in Hong Kong under the Companies Ordinance.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(f) Facsimile services	- Chubb Electronics (HK) Ltd. has the exclusive right for providing a fire alarm transmission system for relaying fire alarm signals between Fire Services Department (government) and public buildings;		
(g) Private leased circuit services			
(o) Others	- Wharf Cable Ltd. has the right, exclusive until 31 May 1996, to operate a telecommunications network to supply subscription television broadcasting services. Whether the exclusivity will continue thereafter is subject to consideration; and		
Mobile services			
- mobile radio telephone services	- at present there are four licences for local fixed network. New licences will not be considered before June 1998. Whether more licences will be issued thereafter is subject to review in 1998		
- mobile data services			
- radio paging services	(4) Unbound except for intra-corporate transfer of general managers, senior managers and specialists as set out in the Attachment.	(4) Unbound	

Hong Kong's Note on Regulatory Principles

1. Competition Safeguards

- 1.1 Hong Kong shall maintain measures to control anti-competitive conduct and the abuse of a dominant position.
- 1.2 Such measures also include accounting safeguards and/or structural separation for suppliers of domestic public telecommunications transport networks and services that control essential/bottleneck facilities which cannot be economically or technically substituted and are required by a competitor for the supply of a service.

2. Interconnection

- 2.1 Hong Kong shall maintain measures to allow a supplier of public telecommunications transport services to interconnect with the essential facilities of suppliers of public telecommunications transport networks for the purpose of supplying telecommunications services, in a timely fashion and on transparent, reasonable, non-discriminatory terms and conditions, including, as appropriate, a contribution charge to offset the obligation for providing a universal service.
- 2.2 The regulatory authority shall define the essential/bottleneck facilities of suppliers of domestic public telecommunications transport networks and services which shall be unbundled and made available for interconnection with other suppliers, singly or in combination, on a transparent, reasonable and non-discriminatory basis.

3. Licensing

- 3.1 Hong Kong shall maintain measures to allow objective and transparent licensing and adequate opportunities for interested parties to be involved in introducing new or any changes to existing rules and regulations.

4. Independent Regulator

- 4.1 Hong Kong shall maintain that the regulatory authority is separate from, and not accountable to, any supplier of basic telecommunications services.
- 4.2 The decisions and actions of the regulatory authority shall be impartial with respect to all market participants.

5. Allocation and Use of Scarce Resources

- 5.1 Hong Kong shall maintain measures to allow objective, timely, transparent and non-discriminatory allocation and use of scarce resources which may include radio frequencies, numbers and rights of way.