

**China Mobile Peoples Telephone Company Limited**  
**("Peoples")**

Response to

**Consultation on**  
**Establishment of the Communications Authority**

**("Consultation Paper")**

Date of submission : 16 June, 2006

Peoples would like to submit its views on the Consultation Paper issued by the OFTA on 6 March 2006.

All abbreviations have the same meaning as in the Consultation Paper.

*We seek comments on the proposed staged approach of setting up the CA in the first place, without making changes to the existing licensing and regulatory frameworks for telecommunications and broadcasting, and on the proposed priority items for review in the next stage.*

(P. 16 of Consultation Paper)

### **Staged Approach**

Peoples supports the proposal of staged approach.

Peoples understands that the establishment of Communications Authority will not create any direct change to the existing legal framework and policy in both the broadcasting and telecommunications sectors. Peoples further understands that any substantive change will only be derived after further public consultation.

### **The Priority**

Peoples supports the proposal of staged approach.

*We seek comments on the public mission, core values and regulatory approach of the CA.*

(P. 18 of Consultation Paper)

Peoples supports the public mission, core values and regulatory approach of the Communication Authority.

*We seek comments on the proposed structure that the CA should be a committee supported by a government department.*

(P. 21 of Consultation Paper)

### **Proposed Structure**

*Peoples* supports the proposal that the new Communication Authority should be a governing body rather than an individual person.

### **Office of the Communications Authority (OFCA)**

*Peoples* supports that OFCA should be a civil service establishment initially.

### **The Trading Fund**

*Peoples* has a specific concern on the Trading Fund which is supporting the operation of OFTA. *Peoples* suggests that a complete re-balance of license fee structure for various licensed services should be undertaken to reflect the attributable regulatory activities.

### **CONCLUSION**

*Peoples*, in general terms, agrees to the proposed establishment of the Communications Authority but has some comments on a few policy issues and Trading Fund contribution.

However, *Peoples* would like to express a concern that the reviews on Fixed Mobile Convergence (FMC) and Spectrum Policy should not be adversely affected or delayed by the intended merger of the regulators. These issues are absolutely vital to the Hong Kong Telecommunications industry and that these reviews should be finalized as soon as possible.