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Urgent

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To: kevinchoi@citb.gov.hk
cc:
bcc:
Subject: Comment re: new communications Authority

Dear Sirs

Re: the proposed introduction of a unified telecommunications and broadcast regulatory structure for the Hong Kong SAR, the government ought to contemplate whether or not a single regulator would actually offer any tangible advantages in comparison with separate bodies.

There are at least four good reasons why Hong Kong should not rush to do so:

1. Experiences in patent law have demonstrated the potential difficulty in simultaneously regulate technology and morality.
2. Unthinkable complexity: Regulation of technology will become increasingly complicated given the torrid pace of technological development. Maintaining pace with these advances will be difficult for the increasingly thinly stretched technical resources of telecommunications watchdogs.

Regulation of broadcast content transmitted over the Internet will be difficult and distinctly different, in nature, from the regulation of telecommunications technology.

Having a single body attempt to regulate both simultaneously might be asking the impossible.

3. The fact that other countries are merging regulators does not mean that Hong Kong should blindly follow as the social, political and economic environments of these countries differ from those of Hong Kong.
4. The failure of AOL and Time Warner to achieve the synergies predicted at the start of their merger.

Differences in their nature lie at the heart of why telecommunications and broadcasting regulation and regulators should not be combined.

Telecommunications regulation, traditionally, is technical in nature focused on competition, service and price.

Broadcast regulation, on the other hand, focuses on issues of content – morality and culture as well as intellectual property rights whose monopolistic character clashes with the anti-trust leanings of telecommunications regulation.

Given the differences in the nature of content and transmission regulation, there is no obvious benefit in having both governed by a single body.

Regards

Ronald Yu