

Hong Kong Telecommunications Users Group Response to OFTA's Regulation of Internet Protocol (IP) Telephony

In response to OFTA's consultation regarding the IP Telephony, Hong Kong Telecommunications Users Group ("HKTUG") is pleased to provide our comments:

- HKTUG is of the view that Voice over IP (VoIP) is only a new technology of delivering the same Plain Old Telephone Service (POTS), although various operators claimed that the service bundle is different from fixed lines. As the basic deliverable is the same as a fixed telephone line, VoIP should NOT be taken as a different category of services and being regulated differently.
- VoIP does open up a new way of thought where the network provider can be segregated from the service provider. OFTA should review its regulatory strategy to allow segregation of services from network provision which will lead to future development of a whole new range of services based on IP. OFTA shall provide a definition and service specification of VoIP. OFTA shall regulate the service similar to that of ISP and not as strict as that for FTNS. A good example is ISP as all ISPs are required to apply for a license from OFTA and have to meet a minimum amount of technical requirement.
- The service level expectation of these types of service-based services should be clearly stated so that consumer really knows what they are buying. VoIP provider need to provide SLA for the portion of infrastructure it maintains. Eg, the soft switch, voice gateway, its connection redundancy to HKIX, etc., in addition to the power supply as mentioned in the Consultation Paper. Besides, OFTA should continue to educate the public on the development of the technology and handle complaints regarding unreal promises/claims. A recent

example is the claim by one broadband service provider that its network availability is higher than that of PCCW's traditional fixed line.

- From a business perspective, the user requirement is mainly the core deliverables of basic voice services since number portability is not an issue in Hong Kong. Business users require reliable, sustainable, efficient and cost effective services no matter it is via VoIP, fixed or in future fibre optics. Business user wants the same 8-digits to be used and is concerned with the potential issue of number range changes especially quite a number of business operation and information flow rely on automated dialer. e.g. Telemarketing, banking, financial market comments distribution and anything which require the customer to change their contact number.
- VoIP opens up a number of issues in exposure of personal communication to unprotected environment and requires close examination:
 - Security - since the caller need to authenticate himself to his number for remote access, there should be a secured way to protect his authentication pin from being exposed.
 - Since the voice call conducts over a shared network, the service provider should specify a reasonable means to protect exposure of the conversation.
 - If a VoIP service deliver over a segregated network vendor, there is no formalities to govern end to end service level and end users will eventually suffers. This issue will be further complicated if the network vendor provided similar and competitive service.
 - The service providers should provide a means for the police to track down a caller should the call originated through VoIP into 999. This issue will be complicated due to segregation between network provider and service provider.
- The delivery fee can continue for the infrastructure based FTNS / broadband provider. This will provide a competitive environment such that the infrastructure based provider can earn its fair share of profit. If 'free ride' is allowed, the already difficult operating environment for those FTNS provider

will be even worst, at the end it will be the end user to bear the poor service quality.

To conclude, OFTA shall take the lead to provide a definition of the different levels of service specification of VoIP and the corresponding operation requirement an operator must meet. We wish to see that the consultation exercise be completed as soon as possible so that the market for fixed line telecommunication services be conducted in an orderly manner.

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