

18.5

SCMP 30/4/97

Pressure from telecom firms did not force extension

# Arena defends review

ANDREW CHETHAM

The head of the Government's Telecommunications Review says his decision to extend consultation on the proposals is not a reaction to criticism by some of the territory's biggest phone companies.

Last week three of the territory's fixed line phone companies made a joint submission to the review claiming it was ill-conceived and risked doing damage to the industry.

The head of the Office of the Telecommunications Authority (OFTA), Alex Arena, said he always intended the first stages of the review would concentrate on formulating new policy ideas - followed by a period of circulating the best ideas among industry and the public for more discussion.

The main complaints of the three telecoms companies were the short consultation time and lack of terms of reference for the exercise.

By the close of the month-long public consultation period earlier this month Mr Arena had been sent 30 submissions.

"Most people did not misunderstand the point of the

exercise and the submissions included some fairly lateral thinking," he said.

He said a second spin-off from a shorter consultation was that documents submitted were more succinct because of the deadline.

Mr Arena said he was now assessing the submissions and hoped to prepare a response which would include the Government's thoughts as soon as possible.

That document itself could then form the basis of more consultation.

"The whole process should be seen as continuum rather than separate exercises," he said.

One of the key policy decisions to be made is whether to let more fixed line entrants into the local market.

The three new rivals to Hongkong Telecom, with businesses still in their infancy, are not keen to see early new competition.

In its submission Hutchison Telecom, for example, argued that more local phone licences should not be offered as it would be detrimental to the industry.

New entrants and the further splitting of the market would not encourage spending on telecommunications

infrastructure, it said.

One of the main points in Hongkong Telecom's paper was the need for balancing

tariffs between international and local calls before any further opening of the market was undertaken.