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AT&T man urges action on Telecom

THE Hongkong Government must move towards a detailed implementation procedure for deregulating the telephone industry, a vice-president of United States telecommunications giant AT&T said yesterday.

Lawrence Garfinkel, vice-president of AT&T's federal government affairs, said the Hongkong Government had taken the first step towards deregulating telecommunications by selecting a company to compete with Hongkong Telecom.

"Details of how competition will be implemented need to be defined," he said after a luncheon speech.

"It's very easy to make a policy decision."

Mr Garfinkel said the detailed implementation scheme on breaking up the monopoly could be complicated. The Government should try to develop a consensus on what the system would look like at the end.

Hongkong Cable Consortium has been chosen to compete in the telephone market, but concerns have arisen about the financial viability of

its project. However, Mr Garfinkel dismissed questions about the viability, saying companies would not have bid for the contract if it was not viable.

Some companies that entered the US market in the early 1980s did not make profits for a year or two, but now were on a sound financial footing.

His speech emphasised the benefits of competition in the telecommunications field. These included, he said, lower prices and more flexibility in meeting clients' needs.

In the US, long distance prices had dropped 43 per cent since the AT&T monopoly was broken up in 1982.

Mr Garfinkel said international businesses were selecting Asian headquarters and a factor in favour of Hongkong would be an effective, competitive telecommunications operation.

"Policy makers must recognise the need for change and must make appropriate regulatory changes in a timely fashion," he said. "The longer they resist, the more chaos will develop."