



The Society of Hong Kong External Telecommunications Service Providers  
香港對外通訊服務聯會

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20<sup>th</sup> November 2002

CB(1)645/02-03(04)

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Attn: Helen Lai

Dear Ms Lai

Re: **Implementation Issues on the Charging arrangements of International Call Forwarding Services**

We refer to your circular dated 22<sup>nd</sup> November 2002 on the above.

The implementation issues raised by the operators, as listed by you, are of definite concern to the industry. However, the possible suggestions offered by OFTA need the involvement of the FTNS operators (except in cases of direct Interconnection) and a payment of charges to them for their involvement. The original surmise for the review of ICFS charging arrangements was “the the MNO is not fairly compensated .....*And the FTNS operator are over compensated.....*” It now appears from your suggestions that the ETS industry not only has to pay the MNO the access charge but also the FTNS operator a “reasonable” charge for their involvement in the billing and settlement process. This only adds to the cost of the ICFS service which naturally will be passed on to the consumers-contrary to the theme of deregulation-that the consumer benefits with lower costs of services.

We fail to understand why the Regulator has suggested a complicated solution involving multiple parties, adding to costs, when a simple alternative solution is available as follows:

**That the MNO charge their customers directly for calls forwarded to the ICFS number range**



Since it is mandatory for all operators to identify the ICFS number ranges, it would be very practical (and without involving additional costs) for the MNO to charge its own customers any reasonable access charge (based on their net costs) for calls made to the ICFS number ranges. This would eliminate :

- a) The involvement of the FTNS operator and thereby reduce the end costs to the consumer
- b) The involvement of lengthy and unsuccessful negotiations between the ETS operators and the MNO and the FTNS
- c) The unreasonable requirement for the ETS operator to add the access charge on behalf of the MNO to their ICFS services and repay these to the MNO via the FTNS operators
- d) And most important of all –reduce the final overall cost to the end consumer**

In your statement of June 11<sup>th</sup> you had stated that “The TA agrees that it is the MNO’s commercial decision to design the charging scheme of their call forwarding services and it is the MNO’s own discretion whether to apply a flat or per minute rate for their service.....*The interest of consumers not using ICFS services might be adversely effected by the introduction of “across-the-board” Usage-based charges for call forwarding services.*

The TA’s concern of “across-the board charges” is no longer a concern. With the identification of the ICFS number ranges, the MNO , if they so desire, can charge their customers for the ICFS only.

We therefore request the TA to consider this option as the most practical solution.

With Regards

Shafi Aboobaker  
Chairman