

**CM Tel (HK) Limited's Submission to OFTA's Second Consultation Paper on Licensing Framework for Deployment of Broadband Wireless Access issued on 31 August 2005**

CM TEL (HK) Limited ("CMT" or "We") welcome the opportunity to comment on the Second Consultation Paper on Licensing Framework for Deployment of Broadband Wireless Access dated 31 August 2005 (the "Consultation Paper").

CMT have interest to study deployment of broadband wireless access (BWA) technologies as a method for convenient last mile customer access. We have carried out a BWA Trial Test and produced a report to OFTA. Our test report was published on OFTA's website on 26 October 2005.

We have been long expecting the offering of BWA spectrum since its first consultation on a licensing framework for deployment of BWA technologies on 20 December 2004 (First Consultation Paper). We are delighted to receive the TA's confirmation in the Consultation Paper that he will facilitate assignment of BWA spectrum within 2006. However, we consider that the mentioned time frame for the assignment of relevant spectrum is too slow and vague. We believe that the tardiness of the authority on this issue may be caused by some of the views expressed in the first consultation.

It is noted that some mobile operators have indicated their wishes to obtain the BWA spectrum for mobile services, and therefore argue the eligibility to be assigned with the BWA spectrum. While CMT do not preclude the possibility of mobile applications running over BWA technologies in the future, we do not believe that it is now mature to deploy mobile services with the BWA technologies. Such decision can neither likely be made within the near future of one to two years as there is no fully tested and established standard for BWA mobility services yet. According to manufacturer information, there will not be any commercial customer premise equipment product for BWA mobility until late 2008. In the circumstance, if an interested party were given a BWA spectrum with sole objective of deploying mobile services, the party would be very likely sitting the scarce spectrum with no offering of service to consumers at all. We concern that it will become a form of reserve of the scarce spectrum resource. We object any form of reserve of the scarce spectrum because it will be inefficient use of public resource.

CMT consider that some comments of the first consultation may over emphasize the mobility potentials of BWA technologies. It has, at least for today, no established technical standard for BWA full mobile services. As the technology and equipment market are not ready, it is premature to assume spectrum

requirement for BWA mobile services in the near future. At this moment, exaggeration on such need will only dilute the imminent, real and practical need of the BWA spectrum serving as a wireless extension of the fixed telecommunications services. The proposal of relying unified carrier licensing regime for licensing BWA has created another problem because too many issues on the fixed-mobile convergence (FMC)/ unified carrier licensing regime are still outstanding. The pending of resolution of the FMC issues will cause serious delay and defeat the TA's initiative of facilitating a speedy licensing for BWA spectrum.

CMT would propose that the TA stands firm of his position in the First Consultation Paper, and does not bend to interests with hypothetical and unjustified requirement. As long as the BWA spectrum is primarily assigned for fixed telecommunications services, the existing fixed carrier licence regime is good enough to regulate. When the FMC regulatory regime review is completed and the environment for BWA mobility is ready in the future, transition and licensing arrangement for change of service application should be catered and then regulated in due course.

Other than the above, we maintain our view in our submission to the First Consultation Paper and have no further comment to this Consultation Paper.

21 November 2005