



GSM Association

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M H Au  
Director-General of Telecommunications  
and Telecommunications Authority  
Office of the Telecommunications Authority  
29/F Wu Chung House  
213 Queen's Road East  
Wan Chai  
Hong Kong

Dear Sir,

Re OFTA consultation on Broadband Wireless Access (BWA) Licenses

The GSMA is concerned that OFTA's current consultation on new Broadband Wireless Access licences in Hong Kong could, if its principles are implemented, damage market confidence and significantly reduce investment in mobile services.

In particular, I would like to bring to your attention three key issues:

**1. Lack of a long-term spectrum policy**

OFTA has still not set out a clear, long-term strategy for the allocation of spectrum, a critical need for which was identified during an earlier consultation in 2004. The GSMA believes it is essential to have a long-term spectrum policy in place **before** the licensing of major new services can be planned.

**2. Risks of regulatory uncertainty over future "full mobility"**

Your suggestion that fixed broadband wireless access services would be allowed to migrate to "full mobility", at some future date, creates considerable regulatory uncertainty, which is not in the interests of operators and ultimately, consumers. With regulatory uncertainty comes a reduced willingness to invest in either new or enhanced coverage, services or other commercial initiatives. Indeed, I do not believe that it is in any operator's interest, whether incumbent or new entrant, to have large areas of future regulation left open to speculation.

### **3. Technology neutrality**

OFTA has previously maintained a technology-neutral approach to licencing and I am surprised, therefore, that you would seek to introduce a new type of licence for BWA which is just a group of unrelated wireless technologies. In particular, such an approach raises complicated questions as to how and on what grounds the rights and obligations of BWA licences to be different from those of existing fixed or mobile licensees. Fair and transparent regulation imposes the same rights and obligations on operators delivering similar services. The choice of technology platform to deliver those services is a commercial decision best left to the operator. In following a technology-neutral agenda, the regulator should not differentiate between technology platforms when determining licence rights and obligations.

I trust that when you analyse the responses to your consultation you will incorporate the above input.

Yours sincerely

A handwritten signature in black ink that reads "Tom Phillips". The signature is written in a cursive, slightly slanted style.

**Tom Phillips**  
**Chief Government & Regulatory Affairs Officer**