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Office of the Telecommunications Authority
29/F, Wu Chung House
213 Queen's Road East, Wan Chai, Hong Kong
Attention: Senior Regulatory Affairs Manager (Services Licensing)

Dear Sir ,

Subject: Open Network Requirements

In response to OFTA' s second consultation paper on 3G, we wish to express our support for Telecommunications Authority (TA) 's intended policy of Open Network as an essential element for 3G pre-qualification.

By way of background, our company Media60X is a Hong Kong-based mobile application software company. Currently with 45 software designers and network engineers, our packaged software has been adopted by some of the largest mobile operators in Hong Kong and Singapore. With core competence in Java, IP and mobile network technology, our mission is to become a world-class vendor of software for mobile application creation.

Media60X supports TA's introduction of mandatory "open network" requirement. By introducing more competition at the content and application level, we believe this requirement will not only protect consumer interest but would also create a new and vibrant market for innovative and enabling software.

For Hong Kong to derive maximum economic benefit from third-generation mobile network infrastructure, it is important that corporations of every industry should be able to use the mobile channel for productivity gain and as a new channel for customer reach. This is not just about content publishing for wireless access. It is not even about adding a new role (MVNO) in the 3G-value chain. It is about ensuring the right to create "personalized" mobile service logic that can fulfill specific needs of companies and group of individuals. For example, if an airline wants to provide location-based services to customers in the vicinity of the Hong Kong International Airport, the airline should be able to access location data provided by the mobile network for information delivery to the right group of customers.

While we trust every aspiring 3G MNO and MVNO operator has the good intention to become first-class value-added service providers. We however also believe that no single operator, whether real or virtual, can satisfy the diverse needs of every industry in Hong Kong. It is therefore important to allow individual corporations and serious groups of mobile users to create their very own mobile services freely and without subject to the commercial and political whims of the operator (real or virtual) that happens to be providing the connection.

Innovative services can only be created through innovative use of network elements and deployment of enabling software. In addition to licensing MVNO, Media60X believes the best way to ensure open network access is to mandate licensed operators in the provision of well-defined Application Program Interfaces (APIs), interconnection points and protocols to all service providers and corporations on a non-discriminating basis. Operators should also undertake to provide open access to core network elements including, but not limited to, Short Messaging Service Center (SMSC), Intelligent Network (IN) service nodes, Mobile Location Center (MLC), and well as SIM cards.

Given the mandatory nature of the open network requirement, Media60X further supports the use of regulatory powers to intervene and determine wholesale prices of network capacity and access if commercial negotiation fails. Such intervention should not mean however to override market forces but to minimize collusion by network operators who may have interests in providing similar services to the intended service providers.

Lastly, in order to render open network requirement a significant innovation driver for the mobile service market in Hong Kong, we concur with TA that no less than 30% of network capacity should be open to any non-affiliated service providers.

Yours faithfully,

Alfred Ng
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