

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

30 Oct. 2000

Dear sir,

Comments on 3G Licensees on License allocation

I would like to suggest that OFTA can consider to adopt the 3G license model of OFTEL in UK, one license would be reserved for new mobile operators to contest. The supporting reasons are:

1. The EDGE and CDMA 1x technology which can support bandwidth up to 384kbps, it would be sufficient for most broadband and video telephony application. The award of 3G license to the existing mobile operators. Those operators may focus their investment on 3G infrastructure rollout and they may not be motivated to upgrade their legacy network to the new technology. This approach would prevent valuable radio spectrum efficiency would not be utilised fully by the available new technology.
2. The tariff can be driven down if the operators upgrade the network to EDGE and CDMA 1x in order to provide sufficient broadband services to compete.
3. The reserve of a license to new operator would introduce adequate competition and market environment to motivate the operators to upgrade their network to broadband network to offer compatible services.
4. The new operator would be a driving force to increase the penetration rate of mobile services in Hong Kong particular on broadband mobile services. Otherwise, if the tariff of new broadband services remain high due to limited competition. The trend would only attract some narrow band data users in existing GSM, TDMA and CDMA network migrate to 3G, the overall penetration rate would not be increased.
5. The objective of OFTA is to introduce competition and fair market to consumer. The revenue from 3G auction should not be the key target of Hong Kong government. The existing operators shall make their own commercial decision on whether the license price is favoured with the license condition and license allocation policy.

Faithfully,

3G user

Senior Regulatory Affairs Manager (Services Licensing),
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27 Oct. 2000

Dear sir,

Comments on 3G Licensees on Open Network Requirement

Regarding the open network requirement on 3G network operator licensees, OFTA should introduce effort to ensure the Mobile Virtual Network Operators (MVNOs) to gain better competitive position, and to have the capability to deliver innovative and unique end user services complete independent from the Core network of the 3G radio access network operator. I suggest OFTA should introduce guideline in the license to require the licensees to open the lu interface or alternative interfaces to any MVNOs for connecting MVNO's own core network. The MVNOs shall able to establish and own their circuit switched or All-IP Core Network, Intelligent Network and Value Added Services system. OFTA shall determine the licensing requirement of the MVNOs. The MVNOs shall require to apply license for operating voice and internet interconnection according to the existing regulation.

Faithfully,

3G user