

May 19, 2000

Office of the Telecommunications Authority  
29/F., Wu Chung House  
213 Queen's Road East  
Wan Chai, Hong Kong  
Attn : Senior Telecommunications Controller – Competitive Services

Dear Sir/Madam,

Re : OFTA's Consultation on Licensing Framework for 3<sup>rd</sup> G Mobile Services

In respond to the OFTA's Consultation on Licensing Framework for Third Generation Mobile Services, I, as a citizen and consumer in Hong Kong, would like to express my following opinions:

1. Your Ref. 4.3 : New entrant

More than one new entrant, either local or foreign investment, should be needed in order to achieve a healthy competition in HK mobile phone service. One of the example of existing operators to control the market was : raising tariff price at the same time on January 2, 2000.

2. Your Ref. 4.5 : Licensing options

To let new entrant to have enough edge or change to compete in the mobile phone service market where existing operators had already had a strong hold, new entrant should be allocated 2x15 MHz spectrum or more to carry out their services whereas existing operators should be allocated 2x10 MHz spectrum or less.

3. Your Ref. 4.14 : Auctioning

Frequency spectrum is a public asset belonging to the Society as a whole. It is very similar to land in HK which developers have to buy land from the Government and then construct houses for sale. If the argument is correct that auctioning the frequency spectrum would lead to higher price for mobile service to HK citizen, why not the Government gives land free of charge to developers to build houses to HK people so that we could enjoy cheaper cost of housing.

In addition, the example of auctioning in UK showed that auctioning brings revenue to the Government. Therefore, the revenue raising from auctioning in

HK shall be the money of HK people and it could be used in other area by the Government to improve service of the civil servants or to improve life quality of HK people. OFTA should make a decision based on the interest of the majority of the population.

Years ago, OFTA granted PCS licenses to 6 companies to operate PCS services in HK. Eventually, some of them were sold and the original licensees earned a lot. It is against the interest of HK people that licensees make use of public asset, i.e. frequency spectrum, to make a profit and this public asset costs them nothing.

4. Your Ref. 5.19 : Mobile Number Portability (MNP)

Existing operators and new entrants to 3G services should not deny MNP among different systems, i.e. 2G and 3G, in order to safeguard the consumers' choice to mobile services.

Yours sincerely,



Lung Pui Ying, Amy

C.c. Consumer Council,