

May 22, 2000

Office of the Telecommunications Authority

29/F., Wu Chung House,

213 Queen's Road East,

Wan Chai, Hong Kong.

Attention to: Senior Telecommunications Controller – Competitive Services

Re : Consultation on Licensing Framework for the Third Generation Mobile Services

Dear Sir,

I refer to your captioned consultation paper and express my comments that I agree auctioning the frequency spectrum because it is for the best interest of Hong Kong people. Auctioning can raise a lot of money, just like the case in UK, which is the income of HK Government. It is very similar to the case of land auctioning in HK for a very long time. The HK Government should adopt a same policy regarding public asset, i.e. land and frequency spectrum.

Moreover, when investors decide to bid for the licenses, they should have a business case that would earn a profit. The auction in UK throws a light on the fact that all license winners could make money by carrying out 3G services or re-sell their licenses to other investors. Mobile service is a commodity which price is regulated by supply and demand. Therefore, OFTA should not take any position hoping that it shall bring cheaper price to the mobile services and the handsets. Interfering the market by OFTA shall ruin the image of Hong Kong as a free economy.

Thank for your kind attention.

Yours faithfully,

Jennifer Yiu