

Submission for the Consultation on Licensing Framework for

Third Generation Mobile Services

Name / Organization: V F Moore

Date : 16 May 2000

Dear Sir

Licensing of 3G Mobile Services

I am pleased to provide these comments on your paper written from the perspective of a user of telephone services:

1. There is nothing fundamentally different from the user's point of view between 3G and 2G except additional functionality so the difference/change should be made transparent to the user. Thus mandatory roaming between 2G and 3G is essential until the number of 2G only subscribers is reduced to insignificant numbers. Smooth international roaming is also essential between the Gs.
2. There is now no practical difference between a fixed line and a mobile line so why regulate them differently? Nor indeed is there any reason to have mobile numbers beginning with "9" or "6". People should be allowed number portability to move a current fixed line number to a mobile and vice versa because, as you describe, and an increasing number of people will just use one (mobile) phone for all their telecom needs. The separation of numbers into fixed/mobile prevents the development of unified services where a mobile number converts to fixed line when a subscriber gets home. This may be a problem in countries that have adopted the illogical and anti-competitive system where the calling party pays (part of) the cost of dialing a mobile number, but here in Hong Kong the cost of equipment is borne by its owner so there is no argument for a need to distinguish a call to a mobile rather than a fixed destination.
3. Auctioning the available capacity is really a tax on the users of the mobile service. This might be sensible in countries with heavily indebted governments, but not in Hong Kong where there is no government debt. Everything possible should be done to reduce the cost of phone services (3 or 2G) to keep Hong Kong as competitive as possible. The way is through competition. You should be willing to grant 3G licenses to anyone who is willing to provide comprehensive service to your technical specification, and provide sound completion guarantees. The number of competitors should not be limited artificially and if there are more satisfactory proposals than

available capacity, start an “auction” of asking for amended proposals with lower user charges to eliminate high user cost bidders.

I hope these comments are useful.

Best regards

V F Moore