

中華人民共和國香港特別行政區

HONG KONG SPECIAL ADMINISTRATIVE REGION
OF THE PEOPLE'S REPUBLIC OF CHINA



立法會議員
朱幼麟太平紳士

DR HON DAVID Y. L. CHU, JP
LEGISLATIVE COUNCILLOR

18 June 2004

Office of the Telecommunications Authority
29/F Wu Chung House
213 Queen's Road East
Wanchai
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Attention: Senior Telecommunications Engineer
(Technical Regulation) 2

By Fax and E-mail
Fax No: 2803 5112
E-mail: 2g-consultation@ofta.gov.hk

Dear Sirs,

Second Consultation Paper dated 19 March 2004 on Licensing of Mobile Services on Expiry of Existing Licences for 2nd Generation Mobile Services

As a member of the Panel of the Information Technology and Broadcasting of the Legislative Council, I would like to express my viewpoints regarding the above Consultation Paper from a policy point of view.

I hold a different view from that of the Telecommunication Authority about the so-called "mobile data problem" in Hong Kong and the proposal of relicensing the 800MHz spectrum to an additional 3G licensee to address such problem.

I am of the view that Hong Kong mobile telecom industry does not at present need further supply of networks given that there are already eleven 2G networks and four 3G licencees (one of whom has already launched its 3G services). All the existing 3G licenses were duly auctioned by the Government in 2001 and taken up by the existing licensees who have already made their business plans based on the prescribed license conditions, such as the time-table to rollout their network. The government should wait for the existing 3G licencees to develop their services and let consumers develop the habits of using mobile data service, which is not yet a phenomenon that has been cultivated.

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I also believe that all existing 2G licensees should be allowed to renew their licences on equal terms. As to how new technologies should be introduced and adopted, the TA should let the operators decide.

This is based on my belief that the key element of a successful telecom industry is the economy of scale and the stability of the investment environment that the network operators can rely on. Capital investment in telecom infrastructure and operations are enormous and such investments can only be recouped on a long-term basis. If the government objective is to encourage the industry to invest more in order to bring about more innovative and attractive services to consumers, its regulatory framework must protect investment incentives. The correct policy is therefore to recognize the existing licensees' legitimate expectation that their licences will be renewed so that they can continue operation of their respective networks and services to customers.

I look forward to the government adopting an open-mind in formulating its policy on the above issues.

Yours sincerely,

Dr. Hon. David Y.L. Chu, JP

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