

Dear Sir,

I refer to the captioned consultation paper and would like to submit the following further comments in addition to those made by Mr. Norman Chan of Ericsson Hong Kong.

Spectrum utilization efficiency

While understanding the concern and responsibility of OFTA with regard to spectrum utilization efficiency, it should not be the only consideration on the performance of the concerned operator. In addition, this issue can be resolved between OFTA and the concerned operator through friendly and open discussion without a license retrieval.

Business continuity

In the event the license is not renewed and given the relatively short notice period, there will be unexpected turbulences for both the concerned operators and its subscribers. Business continuity is something people expect and shall be considered carefully in order to avoid market turbulences. A reasonable extension of the license would be a better option for the interests of the market.

Crowded market place

With already six 2G operators right now and four 3G licenses granted in a market with penetration more than 100%, we do not see how an additional 3G entrant would help to develop the market in a healthier way. In fact, of all the four 3G licenses only Hutchison has successfully rolled out, so far.

Investment in a stable market

A stable and continuous growing market is a prerequisite of deploying new technologies. With huge R&D investment made in new technologies we would like to have clearly predictable policies and directives from OFTA, so is our customers, the operators. As long as they comply to the terms and conditions set out in their licenses they should be encouraged to continue investing into the market and not the other way round. This is important for us and the entire industry in order to develop into the future.

To summarize, we believe the concerned operators shall be granted the right of first refusal instead of a license retrieval, as long as they do comply to the terms and conditions originally set out. It would be more efficient and practical to resolve issues like spectrum utilization efficiency and others through constructive dialogs between the concerned parties, rather than drastic measures like a license retrieval. We all need a stable market place with less disputes but more cooperation.

Your kind consideration of the above would be highly appreciated.

Best regards,

Kinson Loo
Vice President of Ericsson