

19 June 2004

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

Dear Sir:

Re: Consultation Paper dated 19 March 2004 on licensing of mobile services on expiry of existing licences for second generation (2G) mobile services in Hong Kong

We are writing to submit our comments on the above consultation paper, representing the views of Go-CDMA Limited, a local R&D company supported by the Small Enterprise Research Assistance Programme fund of Hong Kong SAR Government.

A. Background

1. Go-CDMA Limited was established in April 2000 with funding support from the Hong Kong Government. Go-CDMA Limited is an R&D start-up specialising CDMA enhancement technology. Since 2000, Go-CDMA Limited has attained millions of Hong Kong dollars in direct and in-kind support from the Innovation and Technology Commission and from the Hong Kong Science Park. With these supports, Go-CDMA Limited has successfully developed and patented a non-linear Go-CDMA technology that can increase the data capacity of any CDMA wireless system by at least two folds.

2. The Go-CDMA technology has been verified by multinational telecommunication companies such as Samsung Electronics, Korea, and Ericsson in Sweden. Despite these technology verifications, as a small Hong Kong company, Go-CDMA Limited has encountered numerous difficulties in getting overseas CDMA operators to adopt our technology.

B. Hutchison and 2G CDMA

3. Since 2003, our Go-CDMA technology has attracted the interest of Hutchison Telephone Company Limited as a potential technology to enhance their 2G CDMA network. To facilitate a proper review of our technology a Non-Disclosure Agreement was signed between Go-CDMA Limited and Hutchison on the 3rd of December 2003.

4. After technical due diligence, Hutchison Telephone Company Limited and Go-CDMA Limited have decided to perform a field validation test of the Go-CDMA technology on the Hutchison 2G CDMA network. To achieve this, a Memorandum of Understanding (MoU) was recently signed between Hutchison Telephone Company Limited and Go-CDMA Limited. With this MoU, Hutchison will assist Go-CDMA Limited to field trial our Go-CDMA technology with Hutchison's CDMA supplier using the Hutchison 2G CDMA spectrum. Efforts towards such arrangement would be finalised in the next 6 months.

5. With the Go-CDMA enhancement, it is possible to increase the supported data rate in the current 2G CDMA system by at least two to three folds. This will allow support of data services comparable to CDMA 1x using the same network technology and bandwidth of the current 2G

CDMA system. This will further extend the spectrum efficiency of the 2G CDMA system. Furthermore, this will promote the use of data in the CDMA network.

6. 2G CDMA with Go-CDMA enhancement is not only backward compatible with CDMA standard, it will also support roaming services for CDMA 1x users from China's CDMA 1x network. This is possible because Go-CDMA enhancement allows for the boost in supported rates for the 2G CDMA network, while maintaining backward compatibility with international standard.

7. Upon a successful field validation test, Hutchison Telephone Company Limited and Go-CDMA Limited will work with Hutchison's CDMA equipment vendors to produce Go-CDMA enabled 2G CDMA equipments. This usually takes 9 to 18 months. Thus, if all goes well, faster data services can be deployed in Hutchison's 2G CDMA network by 2006/2007.

C. Consequences of OFTA withdrawal of Hutchison Telephone Company Limited 2G CDMA license in November 2005

8. Should the current 2G CDMA license be withdrawn from Hutchison Telephone Company Limited in November 2005, then Go-CDMA Limited would lose our only chance to deploy our home grown, Hong Kong tax payer's money supported non-linear CDMA enhancement technology.

D. Our comments

9. It is our opinion that the current 2G CDMA license should be retained beyond November 2005 in order for proper development of our locally developed CDMA enhancement technology. Go-CDMA is backward compatible with international standards that allow for support of CDMA 1x comparable data services using current the 2G CDMA network. This is the best utilisation of our Hong Kong resources. Failing to do so could possibly mean sabotaging the only chance of success for our home grown Go-CDMA technology.

Yours faithfully,

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