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BY E-MAIL (2g-consultation@ofta.gov.hk)
AND BY POST

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

Dear Sir / Madam,

Re: Comments on Licensing of Mobile Services on Expiry of Existing Licenses for Second Generation Mobile Services

I support TA's stance on technology neutrality and I believe service providers should be given the flexibility to independently choose technologies based on commercial and competitive considerations. The proposal to issue a fifth license to introduce CDMA 2000 standard came a bit surprise to me. China has recently embraced this principle and has announced in April this year that it would indefinitely suspend implementing the controversial Wi-Fi encryption standard. China has also stated its principle of technology neutrality on 3G wireless, permitting telecom service providers to choose their preferred technology.

The major difference between WCDMA and CDMA2000 standards is the radio interface. Both standards can offer high speed data service for developing advanced applications such as video streaming. There is no major advantage of one over the other. I was delighted to see the adoption of HSDPA (High Speed Downlink Packet Access) technique on WCDMA. It allows even higher speed data service be available on WCDMA and hence more sophisticated applications can be supported. It is the applications that customers care, not the details of the technology.

Although Hong Kong is very advanced in telecommunication services, it is nevertheless a small economy on the national scale. The WCDMA services has just been started by one of the mobile operators in Hong Kong early this year and three more WCDMA services are coming out soon. The adoption of a new standard will mean additional efforts and costs from the application developers for maintaining multiple service platforms. Many might even be deterred from doing so at all.

Data applications based on CDMA2000 are very successful in Korea and Japan. This is due to the much larger market size and a smaller number of operators compared to Hong Kong. Government support and the revenue sharing arrangements between operators and application developers also help a lot. The situation will be totally different if WCDMA licenses are issued.

Based on these reasons, I would suggest that the decision for introducing CDMA2000 license in Hong Kong be deferred until the current 3G service licensees have launched their services or until one of them give up.

On a related issue, I very much would like to see government support for the CEPA arrangements in telecommunications. If the mobile service application market can be expanded through CEPA, it can greatly improve the business environment of local mobile industry and, as a result, nurture applications development and boost up employment opportunity for Hong Kong.

Yours faithfully,

Tak Shing Peter Yum
Dean of Engineering &
Professor of Information Engineering
The Chinese University of Hong Kong