



## Comments of Top Express Communications Limited on the consultation paper “Arrangement for the Frequency Spectrum in the 1.9-2.2 GHz Band upon Expiry of the Existing Frequency Assignment for 3G Mobile Services”

Top Express Communications Limited welcomes the opportunity to express its comments on the consultation paper “Arrangement for the Frequency Spectrum in the 1.9-2.2 GHz Band upon Expiry of the Existing Frequency Assignment for 3G Mobile Services” (“Consultation Paper”) issued by the Telecommunications Authority (“TA”) on 30 March 2012.

Among the three options which TA has identified in the Consultation Paper, we opt for Option 1: Right of first refusal to be offered to the incumbent 3G operators. Our reasons are as follow:

### 1. Service Stability

3G mobile phones are very important tools for business operations in Hong Kong nowadays. It is necessary to maintain stable mobile services and to avoid unnecessary interruptions or disruptions to citizens/travelers using 3G mobile services in this financial center. The untested Option 2 or 3 would inevitably result in substantial network disruptions, which will harm the business operations in Hong Kong.

### 2. Competition in the Market

Mobile market in Hong Kong is already in extremely high competition among incumbent MNOs with 200% penetration rate; this does not yield any good reasons to bring in more operators nor to reassign frequency spectrum to others. Adopting Option 2 or 3 will certainly waste a lot of resources, disrupt provision of mobile communications services to the consumers and the business, harm the development, and excellent record, of the mobile communication industry, etc., and the benefits of taking option 2 or 3 is highly questionable and remote.

### 3. Impacts to the Industry

Option 2 or 3 will create unprecedented uncertainty and related risk to the incumbent MNOs, the consumers and Hong Kong. As a result, it is anticipated





that, unlike the substantial long term investments made by the incumbent MNOs in the last decade in communications infrastructure and development of innovative and advanced communications services, the incumbent MNOs would reduce investment and slow down services development, in order to conserve cash and resources to deal with such unprecedented uncertainty and risk. This will create substantial adverse impact to the industry players including service operators, contractors, equipment vendors, and other relevant parties whichever in business operations or job opportunities.

#### 4. Risk of Change

Option 1 provides a stable environment while options 2 and 3 inevitably create high transitional risk which should be avoided.

#### 5. Public Interest

Community as a whole wishes to see mobile service quality uplifting continuously with reasonable price tags on the service; and with new services to enhance their lifestyles. It seems that the current mobile market has satisfied the users' expectation. Public may not be interested in whether the government will get more income by rearranging or selling spectrum.

For the above reasons, we considered Option 1: Right of First Refusal to the Incumbent 3G Operators is the best choice for the benefits of mobile services subscribers, MNOs' investment and market stability.

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