

Dear Sirs

Having the chance to read the submissions and supplemental submissions that have been made on the captioned subject, I am compelled to express my views as a consumer and the ultimate user of mobile service.

There is no doubt that the mobile market in Hong Kong is already very competitive. We have 4 mobile companies providing 3G services and 12 companies also providing 3G mobile services as MVNOs, all providing good quality services. No one can argue that they are in head-on competition with each other on a daily basis. Even the Government itself acknowledged in the consultation paper that "Hong Kong already has one of the most competitive mobile markets in the world with a mobile penetration rate exceeding 200% and mobile charges among the lowest in the world."

As a consumer I am very happy with the current situation as it is.

While the Government is suggesting taking back the 3G spectrum in 2016, the Government and the people who support that proposal DID NOT put forward one concrete and valid reason for doing so. The proposals are only based on the speculation that "the new players may bring about even keener competition" which is a bald statement with no backing of hard evidence, in-depth research and analyses.

As a consumer, I keep on asking the question: "Why would the Government want to adopt a re-auction when it is CERTAIN that it will immediately damage the interests of the consumers in the following ways?"

1. it will worsen the quality of mobile service - with less spectrum to serve the same number of customers, the customers' mobile data and voice usage will be squeezed onto a smaller amount of spectrum. The congestion will immediately worsen the quality of the mobile service (slow down the data speed and affect the quality of calls). This is a derogation of technological experience. Why is Hong Kong going backwards?
2. the consumers will be forced to change service providers – if mobile companies have to maintain the current quality of mobile service for their customers, they will have to terminate the contracts of, or not renew the

contracts with, some of their customers. As such, some of us (mostly the less profitable customers) will then be forced to look for new service providers. Why is the Government forcing us to change our service providers when we are happy with the current ones? Why is the Government discriminating against the less affluent public? This is disruptive and discriminatory!

3. derogation of mobile development - the fact that we are having world class mobile services in Hong Kong owes it to the huge amount of investment the mobile companies made. The possibility that the mobile companies will have to cut down on their spectrum will discourage their incentive to continue investing in their network and services. The whole of Hong Kong will immediately experience derogation in mobile service quality.

4. Unemployment - Less investment will result in lesser demand for labour resulting in unemployment!

The Government also admitted that options 2 and 3 will have “disruptive impact on the customers”. If Government were to insist on going for a re-auction, it will be taking unjustifiable risks at the expense of the consumers!

The overriding concern of any Government’s policy should be the interest of the public as a whole. Balancing the damaging effect of options 2 and 3 on the Hong Kong consumers against the theoretical possibility of an even more competitive market, option 1 is the only logical option to go for.

I, as a consumer, strongly object a re-auction under option 2 or 3.

Yours sincerely

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