



**Views on Second Consultation Paper on Arrangements for the Frequency
Spectrum in the 1.9 – 2.2 GHz Band
upon Expiry of the Existing Frequency Assignments
for 3G Mobile Services**

As a business which (like most) is crucially, and increasingly, dependent on mobile communications to operate effectively, we are extremely concerned about the Government's plans to take away one third of the mobile operators' current 3G spectrum allocation, with the consequent disruption to customer service this will cause.

We are also astonished to note that the Government itself has acknowledged that its plans will cause disruption to customer service. What can possibly justify such a decision?

We have read in the media about the disagreement between the Government's estimated degradation of 18%, compared with the operators' estimate of 30-40%. Frankly, for a business like ours, any degradation of service would be a matter of serious concern.

We are also concerned about the reports that, according to expert consultants, the Government's proposed spectrum charges are excessive – around four times higher than those overseas. As a business, we are acutely aware that extra costs of this magnitude need to be recovered somewhere, if profits are to be maintained for the benefit of their shareholders. So the Government's proposals may mean extra costs for us, the customers.

We sincerely hope that the Government will re-think its proposals. The Hong Kong mobile market is working well as it is – there is no reason to interfere.

**DDB Worldwide Ltd**
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