



By Email

10 April, 2013

Office of the Communications Authority  
29/F., Wu Chung House  
213 Queen's Road East  
Wan Chai  
Hong Kong  
Attention: Head, Economic Analysis and Research  
E-mail: [consult1900-2200MHz@ofca.gov.hk](mailto:consult1900-2200MHz@ofca.gov.hk)

Dear Sir/Madam,

RE: Arrangements for the Frequency Spectrum in the 1.9 – 2.2 GHz Band upon  
Expiry of the Existing Frequency Assignments for 3G Mobile Services

In response to the captioned consultation paper, VAKA would like to present our perspectives on the subject from the angle of a professional telecom service software provider as well as that of general public, with specific focuses on:

1. The Transparency of the Agenda and the Process
2. The Basis of the Spectrum-Reassignment
3. Potential Unfair Play between Existing and New 3G MNOs
4. Substantiation on the Benefits of Future Services for General Public

Thank you for your attention.

Best Regards,



Paul Yuen

CEO  
VAKA



## **1. The Transparency of the Agenda and the Process**

From the consultation, OFCA has made it relatively explicitly that it would like to make way for a potential new 3G MNO, namely China Mobile Hong Kong Company Limited by the way how the MNO is mentioned in the opening paragraph of the consultation paper. Is the agenda for the spectrum reassignment specific to the aforementioned MNO as a new player, or OFCA has also identified other potential new player candidates? Are there other “hidden” agendas that have not been presented in the current consultation paper, and discussed with current 3G MNOs?

There is no precedence in similar practice of spectrum-reassignment in the history of former OFTA or OFCA. The hasty birth of the proposal is inconsistent of OFCA's commitment to be a “transparent” regulator (source: Office of the Communications Authority website: [http://www.ofca.gov.hk/en/about\\_us/vision/index.html](http://www.ofca.gov.hk/en/about_us/vision/index.html)), and is simply a last-minute after-thought to catch the deadline of October 2013 as the minimum notification period, set forth by former TA and stated in the 2<sup>nd</sup> paragraph of the consultation paper.

While the public could possibly understand and condone the current situation could be a unique one that necessitates a spectrum-reassignment exercise, if a transparent and proper consultation process is intended, why OFCA has reserved such limited time for the actual consultation, i.e. first consultation paper took place only in March 2012 and second one in April 2013, when the deadline for the decision/notification is October 2013?

If the discussed paper is genuinely intended by OFCA to be “unbiased” and “consultative” in nature, how come none of the other options that are commonly considered in International practice, e.g. incentive scheme for spectrum surrendering, etc. are addressed in the paper?

## **2. The Basis of the Spectrum-Reassignment**

Spectrum-reassignment is hardly a new concept but in the recent consultation brought forward by OFCA is indeed quite peculiar.

From a professional perspective, our understanding of the original intention behind spectrum-reassignment is for cases “where spectrum is being underutilized or being hoarded unnecessarily” (source: <http://www.indiatelecombrief.com/index.php/from-the-editors-desk/54702-spectrum-re-farming-an-unwelcome-option>). It appears this is not necessarily the case in the consultation. If it were, then OFCA has the responsibility of presenting facts how each individual operator has been underutilizing their licensed spectrums, and if it had been the case, the proposed spectrum-reassignment percentage would have been on an individual basis, per the proven underutilization of spectrum by each individual operator.



### **3. Potential Unfair Play between Existing and New 3G MNOs**

Rome is not built in a day, so as advanced mobile networks. Existing operators have planned for years of investment and improvements beyond the current licensed period, as they anticipate OFCA will embrace similar practice as a transparent and unbiased regulator for the spectrum renewal. If the proposed spectrum reassignment takes place, it will be a major disruption to their plans – financial, technical, and commercial, etc., and that translate to disruptions to service quality delivered to the public. The adverse repercussions will also take years for the existing 3G MNO to absorb and adjust. For the new 3G MNO(s), it/they will not have such burden. Would such unfair play between existing 3G MNOs and new 3G MNO(s) be the scenario OFCA plans to foster, be it simply “side-effects”, and sets the case for the public as well as regulators in other countries as precedent of an unintended “biased” act?

### **4. Substantiation on the Benefits of Future Services for General Public**

OFCA has stated a mere percentage of 18% negative impact on general public in case of the loss of spectrum capacity of the existing 3G MNOs. But OFCA has not yet mentioned how such negative impact could be offset by anticipated benefits. OFCA should provide concrete and substantiated data, i.e. with proper consultation with existing MNOs as well as other professionals to quantify such benefits. Would the benefits perhaps more competitive pricing or better utilization of LTE over existing 2G and 3G spectrums?

Without data of that sort, or if there is, it needs to be better publicized, general public and industry players alike have difficulties to understand and appreciate the supposedly well-intention of OFCA. As public, we desperately need a comprehensive understanding on the benefits with the potential spectrum reassignment proposal and how such proposal by OFCA could represent the interests of general public.

We will conclude our opinion sharing by urging OFCA to uphold its commitment to be as transparent and fair as possible with its intention as well as its process for the discussed subject that will quintessentially affect the aspect of future telecommunication services for the general public.