

Office of the Communications Authority

29/F, Wu Chung House,

213 Queen's Road East

Wan Chai, Hong Kong

Attention: Head, Regulatory 4

Dear Sirs,

ESI is writing to express its views on the Consultation Paper regarding 900 MHz and 1800 MHz ("Consultation Paper") issued by the Communications Authority ("CA") on 3 Feb 2016.

Regarding Option 1 (right of first refusal to be offered to the incumbent operators), ESI shows its strong support. The reasons being that service continuity and quality, incumbent operators' initiative to continue to invest can all be maintained.

The cons of Options 2 and 3 are that spectrum re-allocation will be inevitable, thereby running the risk of service interruption. We can also foresee that the operators (which will lose its spectrum) will stop investing in the few years prior to the expiry of the spectrum concerned. This will send a very bad signal to outside investors that long term investment cannot be guaranteed in Hong Kong.

The subscribers at large will also be the ones to suffer from the exercises as contemplated under Options 2 and 3 because they will have to take the trouble of going to another operators, signing the contracts again and subscribe a service which they are enjoying. Worststill, if CA is to go ahead to set the spectrum fee at an unreasonably high level, it is likely the operators will pass on such costs to the consumers at large. At the end of the day, it will be the public at large to suffer.

We should be most grateful if the CA could take the above factors into consideration in deciding the way forward.

For on behalf of

Expert Systems IVR (Asia) Co., Ltd.



Mr. William Hui – General Manager

May 12 2016