

## **Creating** the best • Shaping future **communications**

May 17<sup>th</sup>, 2016

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,

RE: Arrangements for the Frequency Spectrum in the 900 MHz and 1800 MHz Bands upon Expiry of the Existing Assignments for Public Mobile Telecommunications Services and the Spectrum Utilisation Fee Consultation Paper -- 3 February 2016

WiseSpot Company Limited, since our establishment in 2001, has been serving the HK Telecommunications market as an independent solutions provider and systems integrator. Over the course of our Company's development in the last 15 years, we have witnessed the growth of HK's mobile communications market to become one of the most advanced and competitive in the world.

We fully understand that telecommunications spectrum is one of the most precious public resources and its utilization needs to be constantly reviewed to ensure that public interests are well served. In your recent review of the Re-Assignment of the 900/1800 MHz spectrum, we believe that ensuring a stable operation and business investment environment for the existing Mobile Network Operators will be the best option to achieve customer service continuity, promotion of effective competition and encouragement of investment and promotion of innovative services.

As stipulated in your consultation paper, 81% of HK mobile active subscribers are using 3G/4G. With the rapid advancement of mobile broadband services and applications, nobody shall doubt the 2G services shall be totally replaced in the near future. While we do think that it will be necessary to ensure service continuity for the minority, it would be best done through market forces instead of Government Regulations. Hong Kong's Mobile Telecommunications Market is one of the most technologically advanced, matured and competitive in the world, MNOs are under constant pressure to retain customer and optimize roaming revenues, we do believe that market force will decide how these MNOs will service their local and overseas customers.



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Hong Kong mobile telecommunications market is one of the most competitive in the world. The people of Hong Kong has been enjoy world class mobile services with low service charges, high service quality and full range of choices. The existing MNOs in HK should be given a stable environment to operate their businesses so that they can focus their attention and resources, both financially and operationally, to invest in new services to ensure HK telecommunications services meet the challenges posed by rapidly changing technological advancement: Internet of Things, Virtual Reality, Video Content Delivery... just to name a few. The option of putting up the 900/1800 MHz spectrum for full auction will be the easiest and most convenient way to kill the appetite for MNOs to invest and innovate.

We are not an advocate of maintaining the status-quo. What we have been suggesting is that maintaining certain level of business operation stability has no conflict with encouragement of competition and innovation. Competition and Innovation in mobile telecommunications services are driven by technological advancement and competition. New market entrants can be introduced through the auction of unassigned frequency bands.

In summary, WiseSpot believes that the existing MNOs shall be given the first right of refusal to acquire their current holdings of spectrum in the 900MHz and 1800 MHz bands. This will present the most sensible option for ensuring customer service continuity, promotion of effective competition and encouragement of investment and promotion of innovative services.

Sincerely Yours

On and for/behalf of WiseSpot Company Limited

Franky Lai, CEO