

COMMENTS ON OFCA'S CONSULTATION PAPER

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

1. INTRODUCTION

NTT DOCOMO INC. (DOCOMO), an international investor as well as one of the shareholders and roaming partners of Hutchison Telephone Company Limited ("HTCL"), is pleased to submit herewith comments on the Consultation Paper ("CP") issued by the Communications Authority ("CA") on 3 February 2016 titled "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".

2. GENERAL

In 2016, the volume of mobile data traffic has continued to grow rapidly around the world, especially with the launch and use of smartphones. In order to cater for the rapid growth of market demands, mobile operators need to invest in their network capacity as well as to explore innovative technologies and services. It is evidential that HTCL has re-farmed most of its 900 Spectrum and all of its 1800 Spectrum, for 3G and 4G use respectively. The 900/1800 MHz Spectrum was initially used for the provision of 2G mobile services with voice-centric application.

DOCOMO expects that telecom regulators consider arrangements to encourage operators to invest in building state of the art network infrastructures and introducing innovative technologies and services which would contribute to the sustainable development and growth of mobile communications industry.

3. KEY COMMENTS

Regulator should ensure service continuity for most of the customers.

- An increase in spectrum utilization fee ("SUF") might be beneficial to the Government's public financing. However, it could be a heavy financial burden for the mobile operators.
- If the mobile operators face significant rise of SUF, the possible negative consequences would be;

Mobile operators could become reluctant to continue investing to maintain the same quality of services, and the pace of introduction of innovative mobile communication services could slowdown.

- For this reason, the level of the SUF should be minimized, to allow and encourage mobile operators to continue to invest for service innovation.

4. CONCLUSION

DOCOMO supports full license renewal, because this would be most likely to eliminate our concerns explained above. DOCOMO requests that CA further conducts an in-depth analysis from various aspects for the overall continuity of consumer services and sustainable development of mobile industry in Hong Kong.

Lastly, DOCOMO expects that Hong Kong continues to maintain its excellent reputation for encouraging foreign investments and participation in technology development.

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