17 May 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 Sir/Madam,

Re: Huawei's views on 900/1800 MHz Spectrum Re-assignment

On behalf of Huawei, I am pleased to offer our perspective on the re-assignment of frequency spectrum in the 900 MHz and 1800 MHz bands, as called for in the 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 Fees,"* released on February 3, 2016.

Huawei takes the view that no matter how the spectrum is allocated, the spectrum fee should be set at a reasonable level that takes into account the uncertain global economic environment and the modest economic growth forecast for Hong Kong in coming years.

Reasonable spectrum prices will encourage mobile network operators in Hong Kong to continue to invest in technology and enable them to hire and train talented local personnel. This on-going investment in ICT technology and talent is vital to providing end-users and enterprises in Hong Kong with innovative, world-leading wireless network services that underpin economic growth and strengthen the position of Hong Kong as an ICT hub.

International benchmarking of 900MHz shows that Hong Kong's spectrum fee is relatively high and that competition between bidders is quite fierce.* We respectfully suggest that allowing fees to climb too high would be detrimental to the telecoms sector and, ultimately, not in the best interests of the wider economy and people of Hong Kong.

Yours sincerely,

Fiona Cheuk
PR Vice Director
Huawei International Co. Limited

*Please refer to Annex D: Prices using alternative WACC, on page 99 of the *"International benchmarking of 900MHz and 1800MHz spectrum value"* report, published in September 2013 and available at http://stakeholders.ofcom.org.uk/binaries/consultations/900-1800-mhz-fees/annexes/benchmarking.pdf