

Nitel Communications Hong Kong Ltd

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31 March 2017

Mr. Gregory So, GBS, JP
Secretary for Commerce and Economic Development
Commerce and Economic Development Bureau
21/F, West Wing, Central Government Offices
2 Tim Mei Avenue
Tamar
Hong Kong

Mr. Ambrose Ho
Chairman, Communications Authority
Office of the Communications Authority
29/F, Wu Chung House
213 Queen's Road East
Wanchai
Hong Kong

Dear Mr. So and Mr. Ho,

Mobile Spectrum and Services of Hong Kong – Comments about Second Consultation Paper of Communications Authority

Mobile services and solutions now play a vital part in companies operations. Our company is an active user of mobile services in Hong Kong. We expect more of our communications and operations to depend on mobile solutions. As such, we are heavily reliant on access to reasonably priced and advanced mobile telecommunications services to conduct our daily business. Therefore, our company reads with great concern the open letters and white papers which HKT has sent to the HKSAR Government since December 2016. We understand that the Communications Authority has issued the Second Consultation Paper on February 14, 2017.

Our company is particularly concerned that:

- 1) We will be paying higher prices for mobile services in the future if the HKSAR Government increases spectrum charges when the spectrum currently used by the mobile operators is re-assigned in 2020/2021.**

Higher mobile prices will increase our operating expenses, making us less competitive locally and across the region. Furthermore, we understand that the spectrum charges proposed by the HKSAR Government are much higher than the charges levied by governments in other countries. We believe the extra revenues received by the HKSAR Government are not going to be re-allocated and directly benefit the local business community. In view of the volatility of local and global economy, we believe any financial resources should be managed cautiously and stay within the business community. We would urge the HKSAR Government not to increase the spectrum charges.

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- 2) **The Government has not released enough spectrum to enable the development of advanced mobile telecommunications services and solutions, such as 5G and Internet of Things (IoT). This will have a devastating effect on consumers and businesses.**

Having access to fast, state-of-the-art mobile services and solutions is extremely important for consumers and for enterprises in Hong Kong. Some countries in the world have already be testing 5G technologies. We believe the availability of more spectrum provide an excellent platform for technology start-ups and innovation gurus to create and test new mobile technologies. We are positive that we can take advantage of these exciting developments in our businesses and/or operations. Given other countries are far ahead of Hong Kong in terms of making more spectrum available for mobile services development, we would here urge the HKSAR Government to find ways of releasing more spectrum to mobile operators immediately.

Certainly, your policies will have a significant impact on us as local investors, local employers and local businesses. Our company would be grateful if you, as the leaders of the HKSAR Government, can seriously take into account our views as you formulate the plans regarding the forthcoming spectrum re-assignment exercise and the release of future spectrum.

Thank you for your kind attention. We look forward to your positive response.

Yours sincerely,
For and on behalf of
 NITTEL COMMUNICATIONS HONG KONG LIMITED



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 Authorized Signature(s)

Anissa LAW
 Administration Manager