

**Notice to Seek Representations regarding the Communications  
Authority's Proposed Acceptance of Commitments Offered by Hong  
Kong Broadband Network Limited, HKBN Enterprise Solutions  
Limited and WTT HK Limited under Section 60 of the Competition  
Ordinance in relation to the Proposed Acquisition of  
WTT Holding Corp. by HKBN Ltd.**

**Submission by  
SmarTone Mobile Communications Limited**

1. With reference to the captioned Notice issued by the Communications Authority ("CA") on 13 February 2019, SmarTone Mobile Communications Limited ("SmarTone") is pleased to provide its comments as below.

2. As mentioned in the Notice, one of the competition issues which would likely arise from the Proposed Transaction is the supply of wholesale services to downstream rivals in commercial segment of the provision of local fixed telecommunications services. It is considered that there may be a risk of the merged entity being in a position to refuse to supply wholesale services, raise wholesale prices substantially or lower service quality, etc. post-merger, since these downstream rivals may not be able to source alternative supply from another fixed network operator or arrange migration within a short period of time.

3. In this regard, the merged entity has offered the Wholesale Access Commitment which would enable the downstream rivals who have existing agreements with HKBN and/or WTT on wholesale services to continue to obtain supply of wholesale inputs from HKBN and/or WTT on existing or no less favourable terms and conditions for two years from the effective date of the commitment.

4. SmarTone considers that the Wholesale Access Commitment should also apply to other existing wholesale agreements entered into by the merged entity with third parties. There would be a similar concern that HKBN and/or WTT may change the terms of existing wholesale agreements after the merger may arise. Other operators using the wholesale services (e.g., dataline and fibre services) provided by HKBN and/or WTT may not be able to find alternative supply from another fixed network operator or migrate the services within a short period of time. To minimize the risk that the Proposed Transaction may adversely affect competition in the market, we would suggest that the Wholesale Access Commitment should apply to all kinds of existing wholesale agreements entered into by HKBN and/or WTT.