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## **Hong Kong Telecommunications Users Group Response to OFTA's Licensing of Mobile Services on Expiry of Existing Licences for Second Generation Mobile Services**

In response to OFTA's consultation regarding the licensing of mobile services on expiry of existing licences for second generation (2G) mobile services, Hong Kong Telecommunications Users Group ("HKTUG") is pleased to provide our comments:

- Overall speaking, HKTUG is in favour of OFTA's assessment of offering "right of first refusal" to the nine incumbent GSM and PCS licences due to the effective use of available spectrum by these operators and minimizing the disturbance to existing users.
- Regarding OFTA's recommendation not to offer "right of first refusal" to the CDMA and TDMA licensees, HKTUG has no objection on the termination of these licences if it is for the best use to the HK community at large. However, we are concerned about the orderly migration of the existing customers as rightly pointed out in paragraph 27. Moreover, the users' interest during the phase-over has to be monitored closely to ensure interruption be minimized and cost benefits not sacrificed.
- A critical area the consultation paper has not addressed is the roaming capability of the CDMA network. Thousands of HK business users rely on CDMA roaming to China and vice versa from China to HK. Forcing a change on these existing HK customers, given the relative prevalence of CDMA network in China, seems premature. It is therefore crucial that a migration plan to continue supporting these inter-China (and similarly with other CDMA networks in North America, S. Korea and Thailand) roaming capability be retained if the new (proposed) network is of cdma2000 standard. Otherwise, a longer sunset period of the current

CDMA network is necessary to allow users, whether local or foreign, adequate time to switch to the GSM/PCS network.

- HKTUG welcomes the introduction of new licence using the spectrum available as long as it promotes more choices and innovative services at a competitive manner. Should a consolidation or restructuring of some sort be triggered, users/subscribers interest should be protected in any restructuring.
- Lastly, HKTUG supports the idea of mandatory code of practice. In particular, the quality of service indicators should be published to let consumers an informed choice. As Hong Kong ventures into a knowledge-based society, we can lead the rest of Asia through quality of service in the telecommunications arena.

We wish to see that the consultation exercise be completed as soon as possible so that the migration of the TDMA and CDMA network users be scheduled in an orderly manner.

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