

Introduction:

CSL welcomes the opportunity provided by the Legislative Council Bills Committee to comment on the Telecommunications (Amendment) Bill 2001 published in the Gazette on 9 February 2001.

Forfeiture of Spectrum Utilization FeesDraft Provisions:

Proposed subsection 34(5) would involve the forfeiture of the whole of any spectrum utilization fee that has been paid, where a license is cancelled, withdrawn or suspended.

CSL Comments:

CSL strongly supports the contention that the forfeiture of the whole of any spectrum utilization fee that has been paid, where a license is cancelled, withdrawn or suspended. CSL is in the view that this will ensure bidders who enter into the bidding process are in fact serious bidders. CSL further submits that successful bidders who eventually decide to terminate the 3G business before the license expires should be liable to pay the yearly minimum guaranteed payment until the license expires.

Public ConsultationDraft Provisions:

As drafted, none. Suggested for inclusion in respect to empowerments.

CSL Comments:

CSL supports the TA's past initiatives to conduct consultation on the licensing and regulatory framework for 3G services in Hong Kong. However, CSL strongly believes that further industry consultation is required on the important issues which remain unanswered from the previous consultation papers and industry workshops. These issues have a direct impact on both 3G business and auction success, and need

to be publicly discussed and broadly supported before licensing can begin. We understand that further industry consultation may require additional time which may cause a slight delay in the current licensing schedule, however we strongly believe that the delay is justified.

To large extent the information released by the TA to date has been general in nature and without substantive detail. We believe it is only proper for the TA to release full details of the overall framework, specific license obligations, and entire auction process to the public before issuance of its final notice. From our observations this would also be in accordance with the practices of overseas administrations from which the TA has drawn many of the elements of its framework.

CSL would submit that the proposed amendments to the Telecommunications (Amendment) Bill 2001 should include explicit obligations for the Secretary or TA, as appropriate, to conduct a thorough and conclusive consultation on the full and complete scheme so as to enable industry and other parties affected by the proposed legislation to have an opportunity to adequately express their views and influence the licensing process.

Conclusion:

CSL would be pleased to elaborate on any particular point discussed in this submission.