

By Fax 2803 5111 and Post

20 May 2013

Office of the Communications Authority  
29/F, Wu Chung House  
213 Queen's Road East  
Wanchai  
Hong Kong  
Attn.: Ms Helen Lai

Dear Helen,

**Consultancy Study in relation to the Impacts on Service Quality and Customers of Adopting a Hybrid between Administratively-assigned and Market based approach in Re-assigning the Spectrum in the 1.9-2.2 GHz Band**

1. We refer to your letter dated 6 May 2013 in which you advised us and the undersigned MNOs that OFCA had commissioned Network Strategies to undertake the above Study.
2. We wrote to OFCA on 26 April 2013 setting out amongst other matters our concerns about the selection of suitable consultants and the methodology to be utilized in the Study given that the 3G operators would likely be approached to provide data to the consultants. We have not received any reply to our letter and have sent OFCA a reminder letter seeking a response to the matters raised in our letter which are of considerable importance not only to us as operators but to our customers and to consumers at large.
3. It is regrettable that despite our request that the 3G operators be involved in the development of the consultancy brief and the selection of consultants, we have not been given the opportunity for either.
4. The adoption of the methodology and also the model for the Study is a key component, and of great importance to the outcome, of the Study. We asked that as incumbent operators we should be consulted on any proposed methodology so that our views on the methodology could be fully taken into account in the final model that is to be constructed for use in conjunction with the data that will be needed from the 3G operators in order to populate and inform the model chosen.
5. Without the participation of the operators in the selection of the methodology and the construction of the model, there is justifiable concern in producing data for an unknown model which has not been the subject of discussion and consensus with the operators. Since your consultants have requested data to be provided by the operators by 24 May 2013, this

leaves very little time to seek and obtain consensus on the model. We suggest that the time for submitting a response to the extensive data request be extended to allow time for consultation on the methodology and proposed model.

6. We note that the timeline for production of a preliminary report (3 weeks from appointment), a draft final report (6 weeks from appointment) and final report (8 weeks from appointment) seems unrealistically short particularly if the various stakeholders in this consultation are to be meaningfully involved in the Study with the opportunity to comment as the Study progresses.
7. The circulation of the consultancy brief only after the appointment of consultants has meant that the operators have not been afforded the opportunity to comment on the brief before the consultants have commenced work on the Study. Given its length and importance, it will take the operators some time to review the brief which review is currently underway and we will provide our comments to you shortly.
8. Now the Study is underway, going forward we would request that OFCA engages more closely with the operators and builds in time in the timeline to allow for review by the operators of the preliminary report, of the outcomes of the model adopted and any other deliverables under the Study. We understand from our meetings with OFCA's technical consultant last week that the current proposal is to give the operators only a very limited opportunity to be briefed on the draft final report and to thereafter comment on the findings. This appears to be limited a **one week** period in which to brief and to comment on the preliminary report: this timeframe is clearly inadequate and does not constitute proper consultation. It seems more akin to a session where the industry is told the result; it certainly in no way has the appearance of a consultation. The opportunity to participate and comment on the deliverables of the consultant before the final report is published is fundamental to ensuring that the consultation, of which this Study is part, is fairly conducted.
9. The matters raised above should be regarded as illustrative of the need to ensure procedural fairness at all stages of the present consultation and underpins the requirements that fairness demands that any final report once published must be the subject of a further round of consultation before a determination is made on spectrum allocation in the 1.9 – 2.2 GHz band.

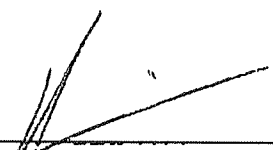
Yours sincerely,

cc Miss Eliza LEE, Director-General of Communications  
Mr Danny LAU, Deputy Director-General (Telecommunications)  
Miss Susie HO, Permanent Secretary for Commerce and Economic Development  
(Communications and Technology)  
Ms YUE Tin-po, Chief Council Secretary, Legislative Council Panel on Information  
Technology and Broadcasting (for distribution to the Panel members)



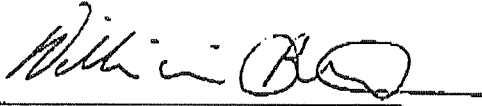
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Alison Ko  
General Counsel  
Legal and Regulatory Affairs  
CSL Limited



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Stuart Chiron  
Head of Group Regulatory Affairs  
Hong Kong Telecommunications (HKT) Limited

A handwritten signature in black ink, appearing to read 'William Brown', written over a horizontal line.

William Brown  
Head of Regulatory Affairs  
Hutchison Telephone Company Limited



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Elaine Lau  
Head Legal Counsel  
SmarTone Mobile Communications Limited