

LC Paper No. CB(4)712/12-13(02)
(English version only)



Your Ref 來函編號:

Our Ref 本函編號: OFCA/R/R/278 Pt. 3 C

29 May 2013

By fax to 2962 5111 and by mail

Mr Stuart Chiron
Head of Group Regulatory Affairs
Hong Kong Telecommunications (HKT) Limited
39th Floor, PCCW Tower
Taikoo Place, Quarry Bay
Hong Kong

Dear Mr Chiron,

**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 (the “Study”)**

Thank you for your letter of 20 May 2013. I also refer to your letter of the same date to our Helen Lai on the same matter.

In your letter of 20 May 2013, you expressed your regret that despite the request put forward by the 3G mobile network operators (“MNOs”) in your earlier letter of 25 April 2013, you were not given an opportunity to be involved in the development of the consultancy brief and the selection of the consultant.

As explained in our letter of 21 May 2013, in appointing the consultant, we have adhered strictly to the rules and regulations stipulated by the Government for the procurement of consultancy services. We kick started the process back in mid-March (more than a month prior to your April letter) by issuing the consultancy brief to the shortlisted consultants to invite submission of proposals. Also, the Government’s rules and regulations with which we are obliged to comply do not permit involving entities outside of Government in the consultant selection process. Against this background, you

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would appreciate why neither of your two above requests can be acceded to.

We now turn to your requests for participation in selecting the methodology and the construction of the assessment model.

Again, as we have explained in our letter of 21 May 2013, Network Strategies Limited (the "Consultant") is required to give an overview of the assessment model to the MNOs in early June 2013 and to present the preliminary assessment results to the MNOs sometime towards the end of June 2013. Your views and comments as well as all other relevant materials and information will no doubt be duly taken into account by the Consultant in undertaking the Study. We would encourage you to take advantage of these opportunities to provide your comments.

As a general point, we would mention that it is the wish of Government to preserve the independence of the Consultant and the Study. As such, we do not consider it appropriate or necessary for the Consultant to obtain prior agreement from the MNOs and the Office of the Communications Authority on the methodology/model to be used in undertaking the Study, whether by way of a round table meeting, a workshop or otherwise.

We have sent the same letter to the other three parties who have signed the two letters of 20 May 2013. We look forward to the full cooperation of the MNOs in the Study.

Yours sincerely,



(Danny Lau)
for Director-General
of Communications

- c.c. 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)