

LETTERHEAD OF PEOPLES TELEPHONE COMPANY LIMITED

LC Paper No. CB(3) 623/00-01(03)

The Hon James Tien Pei-chun, JP
Manhattan Holdings Ltd.
6/F Hutchison House
10 Harcourt Road
Hong Kong

BY POST & BY FAX
FAX NO.: 2368-5292

Dear Mr Tien,

Telecommunications (Amendment) Bill 2001

We understand that the Bills Committee on the Telecommunications (Amendment) Bill 2001 is going to consider the primary legislation and the subsidiary legislation to be made for 3G today.

In response to OFTA's consultation paper "Auction Design and Rules on Connected Bidders" of 23 March 2001, Peoples and all the other five mobile operators submitted their comments to OFTA on 9 April 2001 and all the mobile operators' submissions are published at http://www.ofta.gov.hk/frameset/home_index_eng.html).

In brief, all the mobile operators strongly opposed the "dark room" auction process and the "4th lever rule".

At the moment, the auction process and a lot of associated issues are not clearly stated / resolved under the aforesaid consultation paper.

Peoples is of the view that there has been insufficient time for mobile operators to present their views to the Bills Committee and to properly consider the primary legislation and the subsidiary legislation to be made for 3G.

We hereby respectfully suggest that before the Bills Committee proceed to consider the primary legislation and the subsidiary legislation to be made for 3G in your coming meetings, further industry consultation is necessary.

Yours faithfully
For and on behalf of
Peoples Telephone Company Limited

Ali Bairektar
Group General Manager, Engineering