

**Implementation of the Carrier Licence  
under  
the Telecommunications Ordinance  
as amended by  
Telecommunication (Amendment)  
Ordinance 2000**

# Carrier Licence (I)

- Purpose
  - The Telecommunication (Amendment) Ordinance 2000 aims to streamline licensing procedures
  - We intend to license the third generation (3G) mobile services under the new carrier licence regime with a validity period of 15 years

## Carrier Licence (II)

- SITB to make regulations for carrier licence under section 7(2) relating to
  - general conditions
  - period of validity
  - licence fees payable
- Consultation under section 7(3) before making regulations

## **A. Scope and Categorisation of Carrier Licence (I)**

- Three types of carrier licences
  - carrier (fixed) licence
  - carrier (mobile) licence
  - carrier (space stations) licence
- Carrier licence will encompass existing corresponding licences :  
FTNS, PRS, satellite space stations, satellite TV uplink and downlink, commercial TV broadcasting and subscription TV broadcasting

## **A. Scope and Categorisation of Carrier Licence (II)**

- Same general conditions but different validity periods and fees
- Telecommunications Authority to specify scope for individual licences and attach special conditions

## **B. General Conditions of Carrier Licence**

- Similar to those of existing licences to ensure level playing field
- Conditions relevant only to individual existing licences to become special conditions
- Conditions which have been incorporated as provisions in the amended Telecommunications Ordinance not included

## C. Fee Structures

- Cost recovery principle: licence fee should recover the administrative cost of Telecommunications Authority
- Fee structure of the same or comparable level as those for existing licences
- Will regularly monitor and review the fee structures

## **D. Period of Validity**

- Same as currently applicable to existing licences , except for carrier (mobile) licence, which we propose to extend from 10 years to 15 years to cater for 3G

## **E. Implementation with regard to Existing Licences**

- Under section 70 on transitional arrangement, existing licences will remain in full force until expiry
- Holders of existing licences may choose to apply for the corresponding new carrier licences
- Validity period to remain as the same as the remaining validity period of the existing licences

**Views Received from  
Consultation  
&  
Administration's Responses**

## **A. Scope and Categorisation of Carrier Licence**

- Views received generally support the scopes and categories proposed
- To support implementation of the new regime, the Telecommunications Authority will issue guidelines on the application for licences to ensure equity and transparency

## **B. General Conditions**

- General support for standardising general conditions for all types of carrier licences
- Response: Taking into account comments received on appropriateness of GC 13A relating to transmission plan, we will remove GC 13A as general condition as it may be too broad to be applicable to all types of carrier licences. The condition will be introduced as special condition with details tailored for different types of licences

## C. Fee Structures

- Major view is that fees payable under the new licensing regime should not exceed those the licensees are currently paying
- There are also suggestions to review the fee structures
- Response: the Telecommunications Authority will not recover more than the cost incurred
- Current levels of fees are result of regular reviews and are appropriate

## **D. Period of Validity**

- View received generally support our proposal
- These are some suggestions to extend the validity period of and the carrier (mobile) licence for carrier (space stations) licence
- Response: A 15-year period of validity proposed for carrier (mobile) licences is most appropriate to Hong Kong having regard to the fact that sufficient time should be allowed for 3G operators to recoup their substantial investment and the overseas examples. A 20-year period of validity for carrier (space stations) licences is also appropriate having regard to the fact that the useful life of a satellite is 15 years and the period for operators to recoup their investment.

## **E. Implementation with regard to Existing Licences**

- Some respondents welcomed the proposal to give existing licensees the choice to apply for carrier licences in exchange for existing ones
- Response: implementation as proposed