

# **Executive Summary**

## **Second Consultation Paper on Licensing Framework for Deployment of Broadband Wireless Access**

On 20 December 2004, the Telecommunications Authority (TA) issued a consultation paper on the licensing framework for deployment of broadband wireless access (BWA) technologies. Having duly considered the submissions received, the TA presents in this second Consultation Paper proposals for the regulatory framework for deployment of BWA technologies.

2. The TA maintains the proposal of allocating the 3.4 – 3.6 GHz frequency band (3.5 GHz band) to BWA on a primary basis. 180 MHz of spectrum within this band will be divided into six frequency block-pairs (i.e. each block with 15 MHz x 2). Each successful applicant will be allowed to take up one block. Following this, a maximum of six network operators offering territory-wide BWA services can be licensed, each with the right to use spectrum of 15 MHz x 2 for 15 years. Licensees will be required to start offering public services within 2 years after being awarded the BWA spectrum.

3. It is proposed that spectrum will be allocated by means of a hybrid selection approach, which includes a pre-qualification, followed by a simultaneous multiple round ascending auction. The brief pre-qualification process aims to screen out applicants failing to meet certain objective criteria, including technical/financial viability and rules on connected applications. The simultaneous multiple round ascending auction process ensures that spectrum will be assigned to those who will value it most and use it in the most economically efficient manner. Bidding in the auction will be based on an up-front lump sum payment.

4. The TA proposes to issue a new type of carrier licence, a Unified Carrier Licence with a validity period of 15 years, for network operator of BWA spectrum. Under this licence, the licensee may provide fixed telecommunications services initially, and the scope of permitted services will be expanded to include full mobility services at a later date of 1 January 2008. Fixed telecommunications service will include the conventional fixed services and telecommunications services of “limited mobility” nature. During the initial period of services when full mobility services will be restricted, licensees will be assigned with telephone numbers with prefixes of “2” and “3”. The existing interconnection charging regime will apply.

5. Any views expressed in this consultation are preliminary views of the TA only for consultation and do not represent the final position or decision of the TA on any of the issues. All submissions must be received by 31 October 2005 preferably in electronic format to [bwa@ofta.gov.hk](mailto:bwa@ofta.gov.hk) of OFTA. Any person who submits views and comments should also provide the supporting information or justifications and note that the TA may publish all or any part of the submission received and disclose the identity of the source in such a manner as the TA sees fit. Any part of the submission which is considered commercially confidential must be clearly marked. Submissions in hardcopy, if any, should be addressed to:

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29/F Wu Chung House, 213 Queen's Road East,  
Wanchai, Hong Kong  
[Attention: Telecommunications Engineer (Regulation<sub>21</sub>)<sub>3</sub>]  
Fax: 2803 5112

Office of the Telecommunications Authority  
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