

Public Consultation on Proposed Spectrum Policy Framework

**Communications and Technology Branch
Commerce, Industry and Technology Bureau
6 February 2007**

Spectrum Policy Framework

- Covers the following areas:
 - Spectrum policy objectives
 - Guiding principle for spectrum management
 - Spectrum supply
 - Spectrum rights
 - Spectrum pricing
 - Spectrum for government use

Spectrum Policy Objectives

- Propose to formulate and promulgate clear spectrum policy objectives:
 - to facilitate the most economically and socially efficient use of spectrum with a view to attaining maximum benefit for the community
 - to achieve technically efficient use of spectrum to facilitate the **introduction of advanced and innovative communications services** and strengthen Hong Kong's position as a telecommunications and broadcasting hub
 - to fulfil Hong Kong's regional and international obligations relating to the use of spectrum
 - to **strengthen Hong Kong's strategic position as a world city and the gateway between the Mainland of China and the world** by facilitating the provision of key services in Hong Kong which are deployed, or will be deployed, globally or in the Mainland of China
 - to ensure that necessary spectrum is reserved for government services

Spectrum Policy Objectives

- to achieve the policy objective to strengthen Hong Kong's strategic position as a world city and the gateway between the Mainland of China and the world
 - key mobile services deployed or to be deployed in the Mainland and other countries (e.g. TD-SCDMA and CDMA2000 services) can also be rolled out in Hong Kong to facilitate the provision of voice and data roaming services for visitors

Guiding Principle for Spectrum Management

- market-based approaches should be normally used for spectrum management, unless there are overriding public policy reasons to do otherwise
 - auctions should be used if there are competing commercial demands for spectrum

Spectrum Supply

- Spectrum Release Plan
 - to publish spectrum release plans showing the intended supply of spectrum from TA in the **following 3 years**
- Spectrum Trading
 - a market-based mechanism to provide economic incentive to facilitate spectrum already in the market to be put to **most economically efficient use**
 - if supported in principle, a **feasibility study** on the implementation issues, such as licensing arrangements, the question of trading gains and regulatory measures to prevent anti-competitive practices, will be commissioned for introducing secondary trading of spectrum **in the longer term**
- Spectrum Liberalisation
 - spectrum liberalisation will **not** be considered for the time being, **but** will monitor developments in other jurisdictions and carry out further studies when necessary.

Spectrum Rights

- **Before assignment expires**
 - TA will only invoke the power to vary or withdraw assigned spectrum in circumstances where public interest or government policies and international obligations so require, or where interference between legitimate spectrum users renders it necessary
- **End of assignment**
 - no legitimate expectation for automatic renewal of spectrum rights. But if TA intends to change or not renew the spectrum assignment upon expiry of spectrum assignment, TA will give appropriate notice periods

Spectrum Rights

- Spectrum Refarming
 - to vacate existing spectrum users so that the vacated spectrum could be used more efficiently or allocated to another higher value or more important use
 - a significant regulatory intervention – TA should undertake appraisal of impacts of different options, including a “do nothing” option, before making his decision

Spectrum Pricing

- **Principle:** all commercial spectrum users should be required to pay spectrum utilization fee (SUF), irrespective of whether there is competing commercial demand for the spectrum
- **No competing commercial demand:** SUF set to reflect opportunity cost of the spectrum

Spectrum for Government Uses

- Existing command and control approach should be maintained for the time being. Market mechanisms should not be introduced for allocation and assignment of spectrum for Government use
- Administrative review to be carried out every three years to ensure the efficient use of assigned spectrum