

Panel on Information Technology and Broadcasting

Provision of radio frequency spectrum for the introduction of

Broadband Wireless Access

Office of the Telecommunications Authority

10 December 2007



Background

Consultation on licensing Broadband Wireless Access (BWA)

- OFTA conducted the third round of consultation in May 2007 on providing spectrum and licensing framework for provision of BWA services
- On 18 July 2007, Members were briefed on the content of the consultation
- The consultation ended in July 2007. OFTA received a total of 17 submissions and 4 expressions of interests.

At the Panel meeting held on 18 July 2007,
Members have the following views :

Consideration could be given to waiting till the conclusion of the World Radiocommunication Conference before deciding on the way forward. To auction the 2.3 and 2.5 GHz band in one go would help dispel the feeling of uncertainty among investors participating in the bidding



Latest Developments

- **World Radiocommunication Conference (WRC-07)**
 - At the WRC-07 held by ITU in Geneva, Switzerland, the 2.3 GHz band was identified for the provision of International Mobile Telecommunications (IMT) including IMT-2000 (3G) and IMT-Advanced (beyond 3G)
- **ITU Radiocommunication Assembly (RA-07)**
 - RA-07 approved the inclusion of WiMAX (**Worldwide Interoperability for Microwave Access**) as one of the radio interface standards for IMT-2000 family
 - WiMAX supports fixed and mobile BWA services
- OFTA's proposal in the consultation paper of allocating both the 2.3 GHz and 2.5 GHz bands for BWA services is in line with the decisions of the WRC-07 and the RA-07

TA Statement

Frequency bands

- In view of the strong demand for the use of frequency spectrum for various services, the TA has decided to make available the 2.3 GHz and 2.5 GHz bands for BWA services after taking into account the WRC-07 and RA-07 decisions, the submissions as well as Members' views.

- 90 MHz spectrum is available in the 2.3 GHz band
- The 2.5 GHz band, with the exception of the sub-band 2.635 – 2.660 GHz, can provide about 100 – 150 MHz for the BWA services
- Subject to frequency coordination with the Guangdong authorities, the total amount of frequency spectrum that may be auctioned will be between 190 and 240 MHz.

- Each bidder is allowed to bid for a maximum of 30MHz spectrum
- Subject to frequency coordination with the Guangdong authorities, the total amount of frequency spectrum that may be auctioned will be between 190 and 240 MHz. This implies that at least six BWA licences can be issued.

Spectrum Assignment

- In accordance with the Spectrum Policy Framework promulgated by the Government in April 2007, the policy is to adopt a market-driven approach in spectrum management for non-Government services which are in competing demand
- The majority of the respondents supported our proposal to assign the BWA spectrum by auction
 - **We will accordingly assign the BWA spectrum by auction**

Spectrum Utilization Fee (SUF)

- A lump sum payment method for the SUF
 - simpler and less administrative costs
- The same approach has been adopted in the recent spectrum auction for CDMA2000 services

Other decisions

- BWA licensee will be required to roll out the services within a specified period
- BWA licensees will be required to support both mobile number portability and fixed number portability and fixed-mobile numbering portability (FMNP) in such a manner as the TA may direct if a decision is made to implement FMNP in the future
- ONA requirement will not be imposed on the BWA licensees

Other Issues

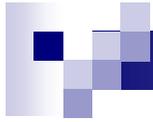
Pre-qualification

- Regarding Member's proposal that service quality and past performance record of existing licensees should be included as pre-qualification criteria in the auction for the BWA spectrum, the following issues are identified :
 - While the TA is empowered to deal with misleading or deceptive conduct of licensees in providing services under section 7M of the Telecommunications Ordinance, service quality as perceived by consumers is outside the scope of TA's investigative powers

- Operator may take legal challenge
 - Operator may circumvent by establishing another legal entity to take part in the auction
- **To address the issue in a forward-looking manner**
- the TA will impose a special condition in the BWA licences requiring the licensees to comply with any code of practice or guideline in respect of the protection and promotion of the interests of consumers of telecommunications goods and services

Way Forward

- To enable the release of the BWA frequency spectrum by auction, relevant subsidiary legislations under the Telecommunications Ordinance have to be made. The subsidiary legislations are subject to negative vetting by the Legislative Council.
- The plan is to conduct the spectrum auction in the fourth quarter of 2008. OFTA will take the necessary follow-up actions.



Thank You !