

Mobile TV policy framework and auctioning of mobile TV-related spectrum



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Hong Kong, a pioneer in adopting digital communications technology

- Digitalised satellite and pay TV services, with over 300 pay TV channels available
- Digital terrestrial television coverage at 75% and take-up at 32%
- World leader in Internet Protocol TV, with over 1 million subscribers
- Mobile phone penetration over 160%
- Household broadband penetration at 77%



Mobile TV

- Exemplar of latest technology development and multimedia convergence
 - Point-to-point streaming-type mobile TV on 2.5G/3G platform already available
 - Point-to-multi-point broadcast-type mobile TV requiring additional spectrum
- Broadcast-type mobile TV technology advances and gains momentum in the world
 - South Korea, UK, Finland, Japan, etc. have launched commercial mobile TV
 - Many others, including HK, are conducting technical trials and public consultation





Overseas Experience

<i>Places</i>	<i>Mobile TV Services</i>
Japan	Provide video, sound and data channels
South Korea	Provide TV, sound and data channels
UK	Provide TV and sound channels
Finland	Provide TV and sound broadcast, games and interactive services



Public and Industry Consultation

- First round - January to May 2007
 - CEDB received 23 submissions, the majority of which welcome early introduction of mobile TV into HK
 - OFTA received 14 industry submissions expressing interest in bidding for spectrum
- Second round – January to April 2008
 - CEDB and OFTA received 21 submissions, the majority of which welcome early introduction of mobile TV into HK and consider a technology-neutral and market-led approach should be adopted



Mobile TV policy framework

Implementation Framework for Development of Mobile TV Services

- Frequency spectrum
 - Availability
 - Allocation
 - Assignment
- Licensing arrangements and technical standard
- Geographical coverage and sharing of hilltop resources
- Timetable



Spectrum Availability

(for new broadcast-type mobile TV)

Band	Total no. of multiplexes available in HK	No. of multiplexes/ spectrum to be released	Maximum no. of mobile TV channels	Possible value-added services in this band
UHF	2 x 8 MHz	1	20	Datacasting
Band III	4 x 1.5 MHz	2	6	Digital audio broadcasting & datacasting
L Band	8 x 1.5 MHz	To be reserved subject to further development of the worldwide market	12	Digital audio broadcasting & datacasting
Part of S Band	-	To be reserved pending the Mainland's decision on satellite mobile TV	-	-



Spectrum Allocation

(for new broadcast-type mobile TV)

- “Pro-mobile TV” but with some flexibility:
 - At least 50% of transmission capacity to carry mobile TV content, while the remaining capacity can be used to provide such new services as digital audio broadcasting (DAB)
 - To facilitate development of mobile TV and DAB
 - Mandatory percentage to be subject to review by OFTA within five years



Spectrum Assignment

(for new broadcast-type mobile TV)

- Spectrum auction
 - Simple pre-qualification process
 - No ownership or cross-holding restrictions
 - Rollout obligations tied with performance bond
 - Promote competition
 - Band III and UHF multiplexes to be auctioned as two separate packages
 - An individual party will not be allowed to acquire more than one package
 - Levy of spectrum utilisation fee to be determined by auction

Licensing Arrangement and Technical Standards

(for all types of mobile TV)

- Mobile TV Network (Telecommunications)
 - Carrier licence required under the Telecommunications Ordinance
 - Public non-exclusive telecommunications services licence (through transmission capacity rented from successful bidder)
- Mobile TV Content (Broadcasting)
 - Light-handed approach: subject to general laws and self-regulatory codes of practice promulgated by the industry
 - DAB services, either on its own or as value added services ancillary to mobile TV, are subject to the existing sound broadcasting licensing regime
- Technology neutral
 - Do not prescribe mobile TV standards to be adopted



Geographical Coverage

(for new broadcast-type mobile TV)

- Coverage for 50% of the population
- Within 18 months from the grant of unified carrier licence
 - Sharing of hilltop broadcasting facilities subject to mutual agreements through commercial negotiation, but the Telecommunications Authority has the power to adjudicate



Timetable

- To auction the frequency spectrum and license local broadcast-type mobile TV services in 2009



Auctioning of mobile TV-related spectrum



Amendments to Subsidiary Legislation

- To include the relevant radio spectrum for mobile TV will be included in the Telecommunications (Designation of Frequency Bands Subject to Payment of Spectrum Utilization Fee) Order
- To amend the Telecommunications (Determining Spectrum Utilization Fees by Auction) Regulation to specify that the methods prescribed in the regulation shall be applicable to assignment of the relevant radio spectrum and determination of the Spectrum Utilisation Fee payable
- To gazette and table the amendments to the subsidiary legislation at the Legislative Council shortly



Way forward

- Upon completion of the negative vetting process on the above subsidiary legislation, the Secretary for Commerce and Economic Development and the Telecommunications Authority will, in the second quarter of 2009, specify the reserve price of the radio spectrum and prescribe the terms and conditions in relation to the spectrum auction respectively in the form of gazette notices.
- The OFTA will at the same time publish an information memorandum to invite interested parties to bid for the radio spectrum.



Thank you
