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**Urgent by Fax**  
(Fax no. : 2537 7053)

24 January 2013

Hon Wong Yuk-man  
Chairman  
Panel on Information Technology and Broadcasting  
Room 1001  
Legislative Council Complex  
1 Legislative Council Road  
Central, Hong Kong

Dear Chairman,

### Spectrum Trading

I am writing to request to defer the proposed discussion on spectrum trading at the next Panel meeting on 4 February 2013.

At the request of a LegCo subcommittee on subsidiary legislation in relation to a spectrum auction to be held in March 2013, the Administration undertook to provide a written response as to whether the consultancy report on the feasibility of introducing radio spectrum trading in Hong Kong should be published. We issued the enclosed letter on 21 January 2013 to set forth the position of the Administration.

Spectrum trading is a complex subject. We are duty bound to carefully study its feasibility and fully assess the implications before mapping out the way forward. As mentioned in the enclosed letter, we are now examining the recommendations made by the consultant, the latest international trend and the market situation in Hong Kong in detail.

- 2 -

On the telecommunications front, our current focus is the arrangements for re-assigning the frequency spectrum in the 1.9 - 2.2 GHz band upon expiry of the existing frequency assignments for third generation (3G) mobile services in October 2016. We will in so far as it is practicable endeavour to announce the decision by October 2013 at the latest, thereby giving a three years' advance notice to the incumbent 3G mobile operators on any possible variation to their frequency assignments in the said band, in order that they may make the necessary technical and commercial arrangements to cope with the changes. Given the time constraint, our efforts in the coming few months would be focussed on this issue.

The subject of spectrum trading is a longer term issue. We therefore suggest deferring the proposed discussion on the subject. The Administration aims to brief the Panel later this year once we are ready, this would ensure that we can then have a more fruitful discussion on the subject.

Yours sincerely,



( Susie HO )

for Secretary for Commerce and Economic Development

c.c. Clerk to Panel (Attn: Ms Yue Tin-po)  
Fax: 2840 0269

Enclosure

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21 January 2013

Ms YUE Tin-Po  
Clerk, Subcommittee on Telecommunications (Determining Spectrum  
Utilization Fees by Auction)(Amendment) Regulation 2012 and  
Telecommunications (Designation of Frequency Bands subject to Payment  
of Spectrum Utilization Fee) (Amendment) Order 2012  
Legislative Council  
Legislative Council Complex  
1 Legislative Council Road  
Central, Hong Kong  
(Fax: 2840 0269)

Dear Ms Yue,

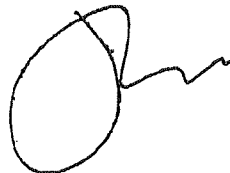
### Consultancy Report on Spectrum Trading

At the meeting of the Subcommittee on Telecommunications (Determining Spectrum Utilization Fees by Auction)(Amendment) Regulation 2012 and Telecommunications (Designation of Frequency Bands subject to Payment of Spectrum Utilization Fee) (Amendment) Order 2012 held on 9 November 2012, the Administration undertook to provide a written response as to whether the consultancy report on the feasibility of introducing radio spectrum trading in Hong Kong should be published.

- 2 -

According to the Radio Spectrum Policy Framework, the policy inclination is to introduce spectrum trading in Hong Kong in the long term, subject to a feasibility study and resolution of various implementation issues. Based on the above Framework, the Administration commissioned a consultancy study on the feasibility of introducing spectrum trading in Hong Kong. We are now examining the recommendations of the consultant, together with the latest international trend and the market situation in Hong Kong in details to map out the way forward. After formulating the next step of the work plan, we will publish the consultancy report and brief the Legislative Council accordingly.

Yours sincerely,



(Ivanhoe Chang)

for Secretary for Commerce and Economic Development

c.c.

Director-General of Communications (Attn: Mr T F So Fax: 2904 7141)