

立法會
Legislative Council

LC Paper No. CB(4)1033/13-14
(These minutes have been seen
by the Administration)

Ref: CB4/SS/5/13

**Subcommittee on Three Regulations under the Telecommunications
Ordinance (Cap. 106) Gazetted on 16 May 2014**

**Minutes of the first meeting held on
Wednesday, 4 June 2014, at 8:30 am
in Conference Room 2A of the Legislative Council Complex**

Members present : Hon Charles Peter MOK (Chairman)
Hon WONG Ting-kwong, SBS, JP
Hon MA Fung-kwok, SBS, JP
Hon KWOK Wai-keung
Hon SIN Chung-kai, SBS, JP
Dr Hon Elizabeth QUAT, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

Members absent : Hon WONG Yuk-man
Hon Claudia MO

Public Officers attending : **Agenda item II**
Commerce and Economic Development Bureau

Mr Joe WONG, JP
Deputy Secretary for Commerce and Economic
Development (Communications & Technology)

Mr Ivanhoe CHANG
Principal Assistant Secretary for Commerce and
Economic Development (Communications &
Technology) B

Office of the Communications Authority

Mr Chaucer LEUNG
Assistant Director (Regulatory)

Ms Linda YU
Head, Economic Analysis

Department of Justice

Ms Grace LEUNG
Senior Government Counsel

Clerk in attendance : Ms Debbie YAU
Chief Council Secretary (4)5

Staff in attendance : Mr Kelvin LEE
Assistant Legal Advisor 1

Ms Anki NG
Senior Council Secretary (4)5

Ms Shirley TAM
Council Secretary (4)5

Ms Linda MA
Legislative Assistant (4)5

Miss Shanice LOK
Clerical Assistant (4)4

Action

I. Election of Chairman

Election of Chairman

Mr Charles Peter MOK was elected Chairman of the Subcommittee.

II. Meeting with the Administration

- (L.N. 58 of 2014 -- Telecommunications (Method for Determining Spectrum Utilization Fee) (Administratively Assigned Spectrum in the 1.9-2.2 GHz Band) Regulation
- L.N. 59 of 2014 -- Telecommunications (Determining Spectrum Utilization Fees by Auction) (Amendment) Regulation 2014
- L.N. 60 of 2014 -- Telecommunications (Method for Determining Spectrum Utilization Fees) (Third Generation Mobile Services) (Amendment) Regulation 2014
- File Ref: CTB(CR)7/23/10 -- Legislative Council Brief on Telecommunications (Method for Determining Spectrum Utilization Fee) (Administratively Assigned Spectrum in the 1.9-2.2 GHz Band) Regulation, Telecommunications (Determining Spectrum Utilization Fees by Auction) (Amendment) Regulation 2014 and Telecommunications (Method for Determining Spectrum Utilization fees) (Third Generation Mobile Services) (Amendment) Regulation 2014
- LC Paper No.LS56/13-14 -- Legal Service Division Report on Subsidiary Legislation Gazetted on 16 May 2014
- LC Paper No. CB(4)753/13-14(01) -- Marked-up copy of the Telecommunications (Determining Spectrum Utilization Fees by Auction) (Amendment) Regulation 2014 (*Restricted to members*)

- LC Paper No. CB(4)753/13-14(02) -- Marked-up copy of the Telecommunications (Method for Determining Spectrum Utilization Fees) (Third Generation Mobile Services) (Amendment) Regulation 2014 (*Restricted to members*)
- LC Paper No. CB(4)753/13-14(03) -- Background brief prepared by the Legislative Council Secretariat
- LC Paper Nos. CB(4)758/13-14(01) &(02) -- Letters from Hon Charles Peter MOK dated 3 and 13 May 2014 on his questions about the proposed acquisition of CSL New World Mobility Limited by HKT Limited (Chinese version only) and the Administration's written response)

2. The Administration briefed members on issues relating to the Telecommunications (Method for Determining Spectrum Utilization Fee) (Administratively Assigned Spectrum in the 1.9-2.2 GHz Band) Regulation, Telecommunications (Determining Spectrum Utilization Fees by Auction) (Amendment) Regulation 2014 and Telecommunications (Method for Determining Spectrum Utilization fees) (Third Generation Mobile Services) (Amendment) Regulation 2014 under the Telecommunications Ordinance (Cap. 106) gazetted on 16 May 2014 ("the Three Regulations") (File Ref: CTB(CR)7/23/10).

Discussion

3. The Subcommittee deliberated (index of proceedings attached at **Annex**).

Follow-up actions

- Admin 4. To facilitate further discussion by the Subcommittee, the Administration was requested to provide information on the allocation of respective frequency spectrum/slots (with breakdown of relevant 2G, 3G and 4G spectrum) to the assignees under all existing assignments made through the Telecommunications Ordinance (Cap. 106).

Way forward

5. The Subcommittee completed scrutiny of the Three Regulations. Members agreed to invite the public to give views in writing on the Three Regulations. Depending on the submissions received and the intention of interested parties to make oral representations, the Subcommittee might decide whether to conduct a public hearing.

(Post-meeting note: A notice on invitation for written submissions was posted on the website of the Legislative Council on 4 June 2014. Invitation letters were sent to the Chairmen of 18 District Councils for written submissions on the same date. By the closing deadline on 12 June 2014, four written submissions were received and five deputations indicated intention to make oral representations. The Chairman decided that the Subcommittee would meet with them at the next meeting subsequently scheduled for 17 June 2014.)

Legislative timetable and extension of scrutiny period

6. Members generally supported the Three Regulations. They also agreed to extend the scrutiny period of the Three Regulations to the Council meeting of 9 July 2014. Members noted that the Chairman would move the relevant motion at the Council meeting of 18 June 2014.

III. Any other business

7. There being no other business, the meeting ended at 10:10 am.

Council Business Division 4
Legislative Council Secretariat
2 September 2014

**Proceedings of the first meeting of
the Subcommittee on Three Regulations under the Telecommunications Ordinance (Cap. 106)
Gazetted on 16 May 2014
held on Wednesday, 4 June 2014, at 8:30 am
in Conference Room 2A of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
Agenda item I – Election of Chairman			
000112 – 000355	Mr WONG Ting-kwong Mr SIN Chung-kai Mr Charles Peter MOK Mr MA Fung-kwok	Election of Chairman	
Agenda item II – Meeting with the Administration			
000356 – 000800	Chairman Administration	Opening remarks Briefing by the Administration	
000801 – 001234	Chairman Mr SIN Chung-kai Administration	Discussion on the hybrid administratively-assigned cum market-based approach ("the hybrid approach") to re-assign a total of 118.4 MHz of paired spectrum in the 1.9 – 2.2 GHz band in the Third Generation Spectrum ("Relevant 3G Spectrum"), i.e. each of the incumbent 3G operators would be offered a right of first refusal to be re-assigned two-thirds of the Relevant 3G Spectrum they currently held ("RFR Spectrum") while the remaining one-third of the Relevant 3G Spectrum, together with any spectrum in respect of which the incumbent 3G operators did not exercise the right of first refusal, would be re-assigned by way of auction ("Re-auctioned Spectrum").	The Administration to follow up as per paragraph 4 of the minutes
001235 – 002552	Chairman Mr WONG Ting-kwong Administration	Discussion of leasing out spectrum capacity to other mobile network operators or mobile virtual network operators.	
002553 – 003020	Chairman Administration	Discussion on spectrum trading. The Administration undertook to brief the Panel on Information Technology and Broadcasting on the matter in due course.	
003021 – 004628	Chairman Mr KWOK Wai-keung Administration	Discussion on the impact of the hybrid approach on service quality and the mitigation measures that could be adopted to cope with possible service degradation. Discussion on the arrangements under the hybrid approach that helped minimize any strategic bidding behaviour.	
004629 – 005227	Chairman Mr Christopher CHUNG	Discussion on the trend of spectrum utilization.	

Time marker	Speaker	Subject(s)	Action required
	Administration		
005228 – 010314	Chairman Mr SIN Chung-kai Mr Christopher CHUNG Mr WONG Ting-kwong Mr KWOK Wai-keung	Discussion on the need to conduct public hearing.	
010315 – 011051	Chairman	Discussion on the lack of space to house the base stations for 4G services.	
011052– 011216	Chairman Administration	In reply to the Chairman, the Administration advised that the next re-assignment of spectrum (previously deployed for 2G mobile services) would be held in about 2020 to 2021.	
011217 – 012509	Chairman Mr WONG Ting-kwong Administration	Discussion on the bidding process, the transition arrangement and if it would be the case, the transfer of spectrum from the incumbent operator(s) to the new holder(s).	
012510– 012902	Chairman Administration	Discussion on lowering the auction reserve price for Re-auctioned Spectrum and the specified range of the spectrum utilization fee for the RFR Spectrum.	
012903 – 014020	Chairman Administration Mr SIN Chung-kai Mr WONG Ting-kwong Assistant Legal Adviser	Members scrutinized the provisions of the Three Regulations and discussion on the title of the Telecommunications (Method for Determining Spectrum Utilization Fees) (Third Generation Mobile Services) (Amendment) Regulation 2014.	
014021 – 014140	Chairman Mr WONG Ting-kwong	Discussion on extension of the scrutiny period to the Council meeting of 9 July 2014.	