

立法會
Legislative Council

LC Paper No. CB(1)1285/18-19
(These minutes have been seen
by the Administration)

Ref : CB1/SS/16/18

**Subcommittee on Telecommunications (Method for Determining Spectrum
Utilization Fee) (Spectrum for Auction) Regulation and
Telecommunications (Designation of Frequency Bands subject to Payment
of Spectrum Utilization Fee) (Amendment) Order 2019**

**Minutes of second meeting
held on Tuesday, 11 June 2019, at 10:30 am
in Conference Room 2 of the Legislative Council Complex**

Members present : Dr Hon Elizabeth QUAT, BBS, JP (Chairman)
Hon WONG Ting-kwong, GBS, JP
Hon Steven HO Chun-yin, BBS
Hon Charles Peter MOK, JP
Hon Alvin YEUNG
Hon Vincent CHENG Wing-shun, MH

Members absent : Dr Hon KWOK Ka-ki
Hon Martin LIAO Cheung-kong, SBS, JP

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

Ms Julina CHAN, JP
Deputy Secretary for Commerce and Economic
Development (Communications and Creative
Industries)

Mr Keith GIANG
Principal Assistant Secretary for Commerce and
Economic Development (Communications and
Creative Industries)A

Miss Crystal CHIU
Assistant Secretary for Commerce and Economic
Development (Communications and Creative
Industries)A1

Office of the Communications Authority

Mr Chaucer LEUNG
Director-General of Communications
(Acting)/Deputy Director-General of
Communications (Telecommunications)

Miss Elaine HUI
Assistant Director (Market and Competition)

Mr Sidney TSAN
Principal Regulatory Affairs Manager
(Regulatory 13)

Department of Justice

Mr Vincent WAI
Government Counsel

Clerk in attendance : Mr Daniel SIN
Chief Council Secretary (1)6

Staff in attendance : Mr Alvin CHUI
Assistant Legal Adviser 3

Ms Mandy LI
Senior Council Secretary (1)6

Mr Patrick CHOI
Council Secretary (1)6

Miss Yolanda CHEUK
Legislative Assistant (1)6

Action

I. Meeting with the Administration

Relevant papers

- | | |
|------------------------------------|--|
| (L.N. 74 of 2019 | -- Telecommunications
(Method for Determining
Spectrum Utilization Fees)
(Spectrum for Auction)
Regulation |
| L.N. 75 of 2019 | -- Telecommunications
(Designation of Frequency
Bands subject to Payment of
Spectrum Utilization Fee)
(Amendment) Order 2019 |
| File Ref.: CCIB/B 480-20-8-1-10(C) | -- Legislative Council Brief |
| LC Paper No. LS73/18-19 | -- Legal Service Division
Report |
| LC Paper No. CB(1)1149/18-19(01) | -- Marked-up copy of the
Telecommunications
(Designation of Frequency
Bands subject to Payment of
Spectrum Utilization Fee)
(Amendment) Order 2019
prepared by the Legal
Service Division
(Restricted to members only) |
| LC Paper No. CB(1)1149/18-19(02) | -- Background brief prepared
by the Legislative Council
Secretariat) |

The Subcommittee deliberated and agreed that there was no need to invite relevant organizations to express views. (index of proceedings in the **Appendix**).

II. Any other business

2. There being no other business, the meeting ended at 11:21 am.

Council Business Division 1
Legislative Council Secretariat
26 July 2019

Subcommittee on Telecommunications (Method for Determining Spectrum Utilization Fee) (Spectrum for Auction) Regulation and Telecommunications (Designation of Frequency Bands subject to Payment of Spectrum Utilization Fee) (Amendment) Order 2019

**Proceedings of second meeting
held on Tuesday, 11 June 2019, at 10:30 am
in Conference Room 2 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
Agenda item I — Meeting with the Administration			
000348 – 000704	Chairman Administration	Briefing by the Administration	
000705 – 001328	Chairman Administration	<p>The Chairman asked the Administration about the progress regarding the provision of the fifth generation ("5G") mobile services in the restriction zones in Tai Po and Stanley, as well as the Administration's response to the industry's wish for the level of the spectrum auction prices to be lowered.</p> <p>The Administration replied that a working group had been formed with representatives from mobile network operators ("MNOs"), satellite operators, the Hong Kong Applied Science and Technology Research Institute and the Hong Kong Science Park to explore feasible technical arrangements for deployment of radio base stations ("RBSs") operating in the 3.5 GHz band within the restriction zones, and a maximum permissible interference limit had been derived for compliance by relevant MNOs. Besides offering 5G mobile services using other newly available frequency bands, such as the 4.9 GHz, 26 GHz or 28 GHz bands, MNOs might also refarm the spectrum currently used for provision of 2G, 3G, or 4G services to offer 5G services.</p> <p>In the long term, the Administration would make available additional spectrum for mobile services use and would keep under review the suggestion of relocating the telemetry, tracking and control stations in the restriction zones.</p> <p>As regards the suggestion to lower spectrum auction reserve prices or bid increments, the Administration replied that, taking into consideration MNOs' substantial upfront investment on 5G mobile services infrastructure, Secretary for Commerce and Economic Development stated in the Joint Statements issued in</p>	

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		<p>December 2018 that the auction reserve price would be set at a level that would represent the minimum base value of the spectrum for the purpose of kick-starting the competitive bidding process. SUF would ultimately reflect the market price of the spectrum which would be determined through the bidding process.</p>	
<p>001329 – 002551</p>	<p>Chairman Mr Charles MOK Administration</p>	<p>Mr Charles MOK commented that the costs of providing 5G services were rising and if the spectrum auction prices were bid up, the cost would pass on to users.</p> <p>Mr Charles MOK commented that not all of the government premises identified and made available under the Pilot Scheme for Installation of Radio Base Stations at Selected Government Venues ("the Pilot Scheme") turned out to be feasible. He asked the Administration to review the locations and ensure that they were workable before offering them to MNOs. Mr MOK said that if there were concerns from the relevant department staff over the radiation hazards arising from the installation of RBSs, the Administration should take appropriate steps to allay such fears.</p> <p>The Administration responded that the 1 000 government premises were considered suitable for installation of RBS in terms of the available floor space and electricity supply, and they were therefore included in the Pilot Scheme. The Administration would look into individual locations where MNOs claimed they encountered problems, and would follow up with the relevant department as appropriate.</p> <p>As regards radiation safety of RBSs, the Administration said that it had conducted about 1 500 site inspections and measurements of radiation level over the past three years with no adverse findings. They have also explained the measurement results to members of the public. It would continue to conduct measurements at Government premises or other locations on a need basis.</p> <p>It added that the Administration would continue to explore more suitable venues or street furniture for installation of RBSs, such as public phone booths and sheltered bus stops.</p>	

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002552 – 003838	Chairman Mr Charles MOK Administration	<p>Mr Charles MOK asked for how long were the satellite operators in Tai Po and Stanley allowed to use the 3.5 GHz band as compared with MNOs for 5G mobile services, and whether the Administration had any plan to relocate the telemetry, tracking and control stations from the restriction zones.</p> <p>The Administration informed members that MNOs concerned would normally be entitled to use the 3.5 GHz band for 15 years from April 2020 to March 2035. The corresponding periods for the satellite operators to use the 3.5 GHz band vary from satellite to satellite, some of which straddle beyond 2035. However, only those satellites which used the 3.5 GHz band simultaneously with the 5G mobile services would be affected. The Administration would no longer issue new permissions to satellite operators for using the 3.5 GHz band for new satellites.</p> <p>As regards relocating the earth stations, the Administration said that if satellite operators had plans to relocate their facilities, the Administration would stand ready to render assistance.</p> <p>Mr Charles MOK commented that the Administration should formulate a policy on the location of satellite communications facilities and should identify remote locations for installation of such facilities so as to prevent similar interference in future. Rather than awaiting satellite operators to relocate their facilities, Mr MOK said that the Administration should play a more active role and consider paying satellite operators compensation to relocate their facilities.</p>	
003839 – 004120	Chairman Mr Charles MOK Administration	<p>Mr Charles MOK enquired how the Administration would coordinate the installation of RBSs for the provision of 5G mobile services along MTR lines.</p> <p>The Administration said that engineering works to upgrade existing mobile services in MTR were underway, but relevant works could only be carried out for not more than two hours each night and had to be prioritized among various other upgrade and maintenance works. The Administration added that, if 3.5 GHz was not available, MNOs could refarm existing spectrum to provide 5G mobile services in MTR.</p>	

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004121 – 004714	Chairman Administration	<p>The Subcommittee agreed that there was no need to invite relevant organizations to express views.</p> <p><u>Section-by-section examination of the two pieces of subsidiary legislation</u></p> <p>The Telecommunications (Method for Determining Spectrum Utilization Fee) (Spectrum for Auction) Regulation and the Telecommunications (Designation of Frequency Bands subject to Payment of Spectrum Utilization Fee) (Amendment) Order 2019</p>	
004715 – 005239	Chairman Mr Charles MOK Administration	<p>In response to Mr Charles MOK's enquiry, the Administration confirmed that the provisions and the format of the subsidiary legislation were similar to other previous ones. Mr Charles MOK further enquired the definitions of "connected bidder" and "space object".</p> <p>The Administration explained that "connected bidder" generally referred to two or more bidders who had material interests between each other, and would be defined more clearly in the specified terms prior to the auctions. By experience, the Administration explained that each bidder would be required to declare whether they were connected with any other bidders before auctions took place.</p> <p>As regards "space objects", the Administration explained that in the context of the subject subsidiary legislation, "space objects" referred to artificial communications satellites.</p>	
005240 – 005255	Chairman Assistant Legal Adviser 3	<p>Assistant Legal Adviser 3 informed members that there was no inconsistency between the English and Chinese texts of the two pieces of subsidiary legislation.</p>	
Agenda item II — Any other business			
005256 – 005453	Chairman Mr Charles MOK	<p>The Chairman concluded that the Subcommittee had completed scrutiny of the two pieces of subsidiary legislation. The Subcommittee supported the Administration's legislative proposal. However, to allow time to report the Subcommittee's deliberation to the House Committee, the Chairman said she would move a motion at the Council meeting of 12 or 19 June 2019 to seek approval to extend the scrutiny period to the Council meeting of 10 July 2019. The Subcommittee agreed.</p> <p>Mr Charles MOK asked whether the motion would be moved before or after the proceedings on bills.</p>	

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		<i>(Post-meeting notes: Mr MOK was informed after the meeting that Members' motions on subsidiary legislation and other instruments made under an Ordinance would normally follow the proceedings on Government bills and Government motions.)</i>	

Council Business Division 1
Legislative Council Secretariat
26 July 2019