

## **Submission to Legislative Council**

### **Panel on Information Technology and Broadcasting**

#### Introduction

1. SmarTone Mobile Communications Limited (“SmarTone”) would like to thank the Panel on Information Technology and Broadcasting (“ITB Panel”) for the invitation to make representation on the development of 5G. We are pleased to submit our views on this important topic, which has significant implications to the development of smart city and innovations in Hong Kong.
2. 5G network will empower many smart city initiatives such as autonomous driving, smart traffic management and remote diagnoses/surgery. All these smart city applications will require a high speed, high capacity and low latency territory-wide 5G network in Hong Kong.
3. To meet the public demand for the future mobile services and smart city applications, mobile network operators (“MNOs”) will need to install mobile base stations which are much more densely located than that of the present. Since each 5G small cell covers an area of just 100m or less in radius, it will require dense networks of potentially tens of thousands of new small cell radio antennae. Such small cell’s antennae are best mounted at street level, typically on the external walls of buildings, lampposts or other street furniture (e.g., payphone kiosks, bus stops). It is a significant challenge both in finding suitable sites and providing the underpinning infrastructure facilities (i.e., electricity supply and fibre transport link) to support these cells.
4. As 5G technology and innovations are the key driving forces of the future economic development in Hong Kong, it is fundamental for the Government to implement policies that would facilitate the rollout of 5G network. The Commerce and Economic Bureau (“CEDB”) and the Office of the Communications Authority (“OFCA”) have been assisting the mobile industry to enhance network capacity and network coverage, by measures such as making available more spectrum for 5G services in the past years. SmarTone appreciates the Government’s continuing efforts, but at the same time there are additional areas that the Government could also give priority to ensure that Hong Kong is at the forefront of the development of 5G and smart city.
5. We would like to set out in more details our views on two major issues which are fundamental to the rollout of 5G network in Hong Kong, namely:

- Granting utility status to MNOs;
- Streamlining the approval procedures for cell site installation

### Granting Utility Status to MNOs

6. Mobile services have long become a necessity to most Hong Kong people. The number of mobile service users have outnumbered that of fixed service long time ago. However, mobile services are still treated as commercial services and have not been offered the utility status similar to electricity, gas, water or even fixed services. Installation of radio base stations is by commercial negotiation with the property owner. This has been a significant constraint on the roll out of mobile network in Hong Kong.

7. In SmarTone's submission to the consultation paper entitled "Review of Telecommunications Regulatory Framework" issued by the CEDB in November 2018, we have suggested to the Government that the relevant provisions of the Telecommunications Ordinance ("TO") should be reviewed with a view to providing a statutory right of access, similar to other utilities, to MNOs for the installation of mobile base stations in all kinds of land and buildings, including railways, tunnels, highway facility and government owned properties. This would significantly ease the difficulties faced by the mobile operators in finding sites for installation of mobile equipment.

8. It would be useful to make reference to the policies implemented in our neighboring country, Singapore. The Infocomm Media Development Authority ("IMDA") issued a "Code of Practice for Info-communication Facilities in Buildings" in December 2018<sup>1</sup> which specifies the duties and obligations of building owners / developers to provide adequate space, facilities and access for telecom licensees (fixed and mobile) to provide their services. It is specified that a minimum amount of space needs to be provided rent-free for the installation of mobile equipment, which can be used to provide mobile coverage at the building concerned or the surrounding areas outside the building. IMDA considers that this is a mutual benefit arrangement as the mobile coverage one enjoy at a building could well come from mobile equipment installed at nearby buildings, and this mutual benefit is important in order to achieve a robust and resilient mobile telecommunications network, especially given the increasing reliance on and importance of mobile services to the public.

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<sup>1</sup> <https://www.imda.gov.sg/-/media/Imda/Files/Regulations-and-Licensing/Regulations/Codes-of-Practice/Codes-of-Practice-Infocomm/COPIF/COPIF-Overview.pdf?la=en>

9. The Government should take the lead and demonstrate their commitment to support the development of 5G network in Hong Kong. Before MNOs are granted with utility status, which may be subject to necessary legislative changes to the existing regime, the Government should first ensure that all properties owned by the Government and statutory bodies will treat mobile services as utility and apply similar principle as in the Singapore's case. Specifically, sufficient space and electricity supply should be offered to MNOs interested to set up cell sites in the properties.

#### Streamlining the approval procedure for cell sites installation

10. As mentioned at the outset, a large number of mobile base stations will be needed in order to provide high speed, high capacity and low latency 5G mobile services to members of the public. The installation of base stations is subject to various departments' approvals, which in our experience, would take a very long time to obtain under the current regime. Take the installation of mobile base stations at government properties as an example, it requires the approvals by the Government Property Agency (GPA), the department responsible for the management of premises concerned, Lands Department, Planning Department, Architectural Services Department, Electrical and Mechanical Services Department, the user departments of the venue and OFCA. Only upon the agreements by all relevant departments, the MNOs would then be able to sign a lease agreement with the GPA before proceeding with the installation of base station at the premise concerned. In our experience, the longest duration of obtaining such approval is more than 7 years, while the average duration is 3 to 4 years so far. While OFCA has assisted the MNOs by coordinating with other relevant departments in some cases, the approval is still largely subject to the considerations by respective departments and is not under OFCA's control.

11. Similarly, the installations of small cells on external walls of buildings, lamp poles, payphone kiosks and bus stops are also slow as various departments' approval and permits are required.

12. There is a 5G pilot scheme in which OFCA takes the lead to streamline the approval of mobile base stations on government buildings and premises. However, even with the fast-track procedure, the approval time so far is between 5 months to 11 months. Though there are more than a thousand locations in the list on the 5G pilot scheme, over half of them are parks, gardens, playgrounds, sport grounds, lookout, toilets, refuse collection points and beaches, where there is no immediate requirement to set up 5G sites. Right now, MNOs cannot opt to add new locations into the 5G pilot scheme.

13. The lack of a streamlined approval procedure is a significant constraint to the rollout of 5G network in Hong Kong. The problem has consumed a lot of time and resources which would otherwise be devoted to other gainful use to benefit the community or consumers. We believe the issue has to be resolved at the cross-bureau policy level and requires a high-level overriding policy set out by the Government.

#### Proposal for setting up antenna pole or tower by the Government

14. We note that in the ITB Panel meeting in November 2020, some Panel members had mentioned the idea of setting up antenna pole by the Government, especially in rural areas, so that mobile operators could install their mobile equipment on it for providing mobile services to the public in surrounding areas. We submit that it is a constructive proposal which is definitely worth exploring. The Government is in a better position to find and provide the Government land and build the necessary infrastructure which would be shared used by all MNOs so as to provide mobile services to the public, especially in rural area where suitable sites could be difficult to find by MNOs.

#### Conclusion

15. The pandemic has posed significant challenges on the world economy but at the same time created opportunities for new businesses based on internet, such as online shopping, online learning and working via video streaming, etc. 5G network is a fundamental building block to innovation and technology which are the driving force of economic development in the future. The Government should therefore continue to put in place policies to boost the development of 5G network in Hong Kong so as to seize the opportunities in the era of 5G.

SmarTone Mobile Communications Limited

January 2021