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(English version only)

Spectrum Policy Framework

6 Feb 2007




Analogous to land auction

- ★ Frequency spectrum cannot be compared to land auction :
 - High cost of building construction vs. Low cost for telecom service provision, especially in cases of service provision to limited small area
 - Limiting new technology development and market competition if spectrum paid but not in use
 - Supply of land would be more sufficient, whilst spectrum is very limited
- ★ If spectrum allocated on “First-come-first-served” basis, license period should be shorter, for not more than 2 years


Auction as default mechanism



- ★ Auction should not be the default assignment mechanism
 - ★ This mechanism, normally, would not be used for culture, art, **design or creative** related business
 - ★ For example, the development of “Western Kowloon Cultural District”
 - ★ Auctions should include criteria such as, % use in the provision of new services, performance commitment at levels higher than other countries
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Renewal of Spectrum



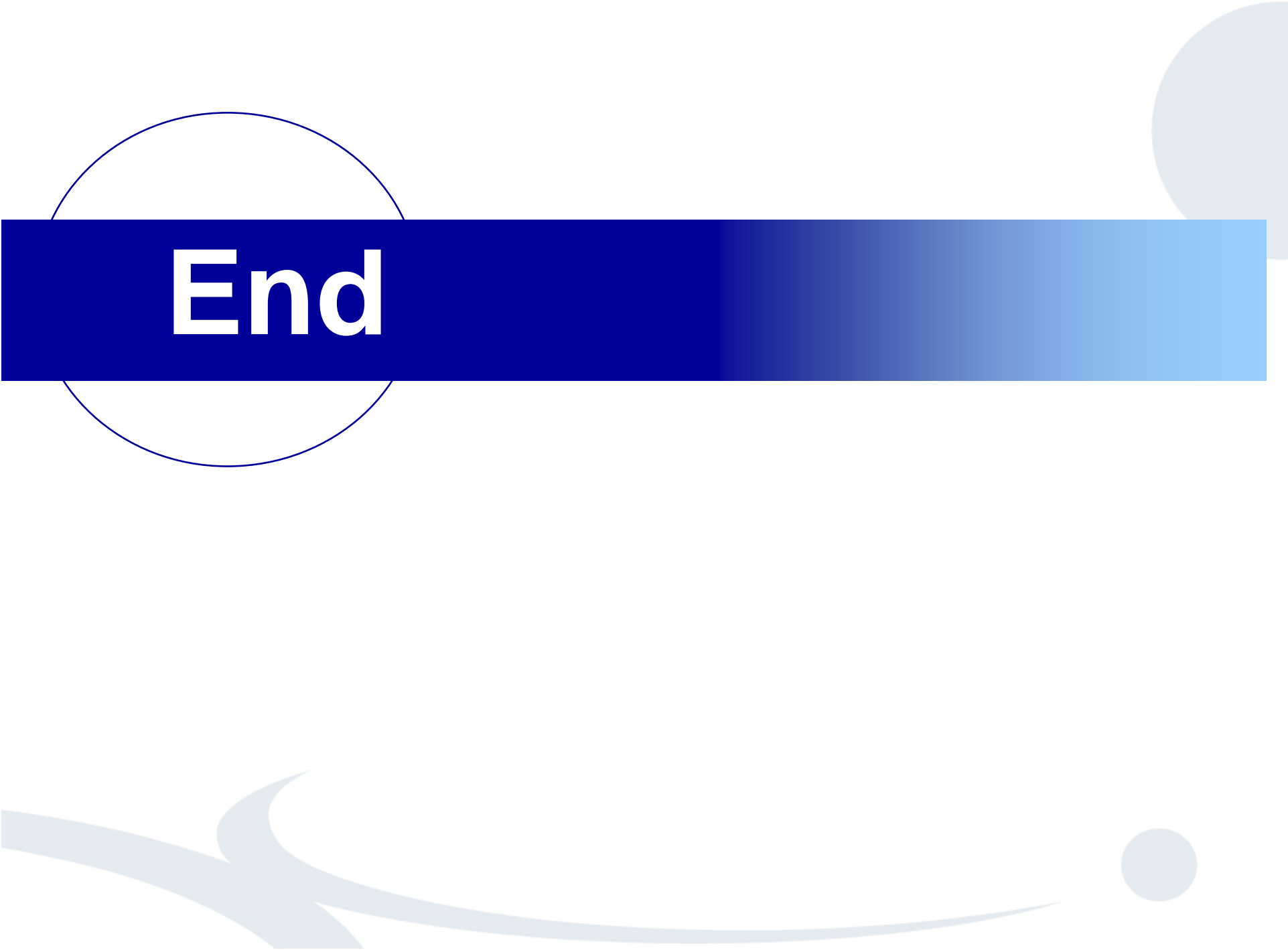
- ★ Same as commercial land, the spectrum should be re-auction upon license expiry
 - ★ Ensuring innovation and new technology
 - ★ If spectrum allocation has gone through an auction when first released, but not a “beauty contest”, same principle should apply on its renewal
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Spectrum Trading



- ★ Deserved thorough consideration
- ★ Same as transfer of license, must be regulated
- ★ Issues related to Anti-Competition legislation





End