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## Press Release

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LCQ7: Developing city-wide wireless broadband service

Following is a question by the Hon Chan Yuen-han and a written reply by the Secretary for Commerce, Industry and Technology, Mr Joseph WP Wong, in the Legislative Council today (January 24):

Question:

Last June, Taipei was honoured as the 2006 Intelligent Community of the Year by the Intelligent Community Forum. Later, the city was also certified by JiWire, an international agency, as the world's largest Wi-Fi network city. In this connection, will the Government inform this Council whether:

- (a) it is aware of the Asian cities in which a free territory-wide Wi-Fi network has been established by the government concerned; and
- (b) it plans to promote the construction of a territory-wide Wi-Fi network; if it has, of the progress of the promotion efforts; if not, whether it will conduct a study on this issue; if it will not conduct such a study, the reasons for that?

Reply:

Madam President,

In recent years, many cities in the world have been developing city-wide wireless broadband service. One of the common technologies being deployed is the wireless local area network that operates within the frequency bands of 2.4 GHz and 5 GHz (generally referred to as Wi-Fi). With this technology, broadband service can be made available to both outdoor venues and general households. To provide city-wide coverage, service providers need to set up thousands of access hotspots in different places in the city. Users can gain access to the wireless networks in the vicinity of these hotspots. It is our understanding that one of the main purposes for some cities to introduce territory-wide Wi-Fi service is to supplement their broadband coverage of fixed networks which are not so extensive. As regards the current situation of Hong Kong, the broadband fixed networks have already covered 98% of residential and commercial buildings.

Regarding the question raised by Hon Chan Yuen-han, my reply is as follows:

(a) As far as we know, there is no major Asian city in which the government provides city-wide wireless Internet access service for the public free of charge. Some Asian cities, such as Seoul, Tokyo, Taipei and Singapore, have rolled out or are rolling out Wi-Fi networks that cover major areas of the cities. However, these wireless broadband services are mainly invested by the service operators, not by the government. Moreover, except in Singapore, these services are not offered free of charge. In Singapore, the service operator offers three-year basic wireless Internet access service, at a maximum speed

of 512 kbps, to the public free of charge. (Currently, operators in Hong Kong are providing broadband fixed network service mainly at speeds ranging from 1 500 kbps to 10 Mbps.) However, fees will be charged for the services with greater speed and better quality.

(b) It is the Government's established policy to facilitate the introduction of new services, including territory-wide Wi-Fi service, into the market and to maintain fair competition. However, whether investment should be made is subject to commercial decision by the market.

At present, the Office of the Telecommunications Authority adopts a light-handed approach to regulate the provision of public Wi-Fi service which covers indoor areas of urban commercial premises only (i.e. not crossing public streets or unleased Government lands) by the class licence regime. Any service provider who has registered with the Telecommunications Authority

(TA) as a class licensee can provide the service. No licence fee is imposed. Currently, there are 27 registered class licensees in Hong Kong operating 765 hotspots in total. Free wireless Internet access service has recently been made available inside the Passenger Terminal Building of the Hong Kong International Airport.

As to public Wi-Fi service crossing public streets or unleased government lands, currently, interested service operators may apply to TA for a carrier licence for establishing and rolling out such service. The Government would also consider proactively providing facilitation to the operators to set up hotspots, such as making available government properties and facilities in public street to the operators, as well as charging at nominal rents. Subject to the principle of not intervening in the market, the Government is exploring further initiatives to promote wireless Internet access service to support the community to make use of the latest developments in telecommunications technologies and to bring more convenience to Internet users.

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