



**Asia-Pacific
Economic Cooperation**

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Policy and Regulatory Update – Hong Kong, China

Purpose: Information
Submitted by: Hong Kong, China



**50th Telecommunications and Information
Working Group Meeting
Brisbane, Australia
29 September – 3 October 2014**

Update on Regulatory Developments of Hong Kong, China

APEC TEL 50, Brisbane, Australia
28 September - 3 October 2014

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Regulatory Update

Mobile Markets and 3G Spectrum
Re-assignment

Review of Conditions in Carrier
Licences

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Mobile Markets

Hong Kong, China has one of the most competitive mobile telecommunications markets in the world

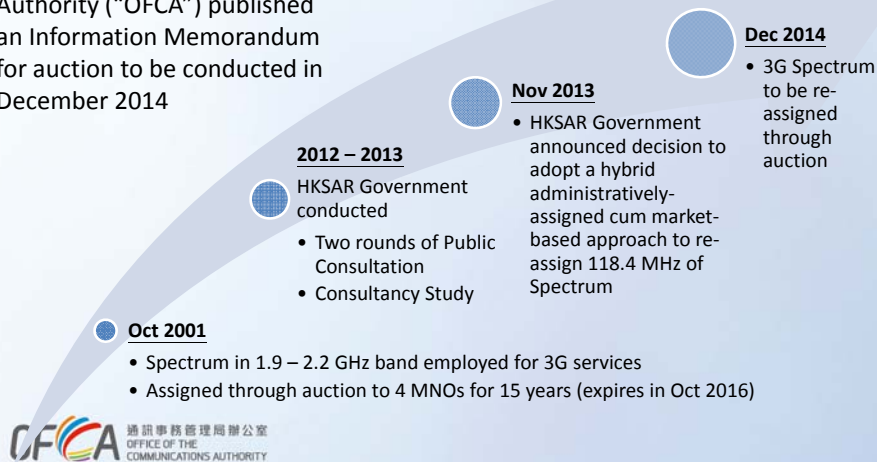
Key Attributes

- 4 mobile network operators (“MNOs”) serving more than seven million people
- Frequency bands: 800/900 MHz, 1700 – 1900 MHz, 1.9 – 2.2 GHz, 2.3 GHz and 2.5/2.6 GHz
- Mobile subscribers penetration rate: 237.4%
- 3G + 4G subscribers: 12.68 million, Penetration rate: 175%



3G Spectrum Re-assignment

On 19 September 2014, the Office of the Communications Authority (“OFCA”) published an Information Memorandum for auction to be conducted in December 2014



3G Spectrum Re-assignment

Communications Authority (CA)'s Decision in April 2014

- Consent given to acquisition of CSL New World Mobility by HKT

Conditions of Approval

- To divest 29.6 MHz of spectrum in the 1.9 – 2.2 GHz band
- Not seeking 3G spectrum re-assignment

3G Spectrum Re-assignment

Eligible Incumbents 3G Spectrum Assignees (Before May 2014)

- HKT
- CSL
- Hutchison Telephone
- SmarTone Mobile Communications

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Auction in December 2014

- 49.2 MHz of the spectrum for re-assignment
- Spectrum to be divided into five frequency blocks of 9.8 MHz or 10.0 MHz
- New entrants and eligible incumbent spectrum assignees may participate in auction
- A spectrum cap of 40 MHz imposed on individual holding of spectrum in the 1.9 – 2.2 GHz band
- Reserve price set at HK\$ 48 million per MHz
- Frequency blocks to be assigned under unified carrier licences with a validity period of 15 years from 22 October 2016

Review of Conditions in Carrier Licences

The Issue

- Inappropriate cross-sectoral legislation or regulation on specific matters (e.g., requirements on road opening) currently included in carrier licences

Scope of Review

- Unified Carrier Licence (“UCL”)
- Fixed Carrier Licence
- Fixed Carrier (Restricted) Licence
- Fixed Telecommunications Network Services (“FTNS”) Licence
- Mobile Carrier Licence
- Mobile Carrier (Restricted) Licence
- Space Station Carrier Licence (“SSCL”)

Review of Conditions in Carrier Licences

Licence Conditions Identified

- Network location
- Requirement on installation of lines or cables
- Works in public streets
- Interference with works of others
- Licensee to alter network on notice
- Restrictions on attachment to public buildings and trees

The Proposal

- Relevant conditions to be removed from the licences

Review of Conditions in Carrier Licences

- Consultation paper issued on 5 September 2014 to seek views from the public and stakeholders on the proposed removal of licence conditions
- Views and comments to be submitted on or before 6 October 2014



Arrangement subject to Outcome of Consultation

For New Carrier Licences

- Finalised set of conditions to be applied to newly issued telecommunications carrier licences

For Holders of Existing Carrier Licences

- May return their licences for effecting the corresponding changes
- Those who do not return will continue to be subject to conditions contained in existing licences

Web-links

- Web sites of the Communications and Technology Branch of Commerce and Economic Development Bureau (CEDB) (<http://www.cedb.gov.hk/ctb>), Communications Authority (CA) (<http://www.coms-auth.hk>) and Office of the Communications Authority (OFCA) (<http://www.ofca.gov.hk>) provide more information on subjects covered in this Update



Thank You