

Applications open for bidding of radio spectrum in 900 MHz and 1800 MHz bands

The Office of the Communications Authority (OFCA) today (September 21) published an Information Memorandum (IM) for the auction of spectrum in the 900 MHz band and the 1800 MHz band for the provision of public telecommunications services in Hong Kong. Parties interested in bidding for the spectrum may apply to take part in the auction scheduled for December 2018.

The Communications Authority (CA) announced on December 19, 2017 its decision to adopt a hybrid administratively-assigned cum market-based approach to re-assign/assign 200 MHz of spectrum in the 900 MHz band and 1800 MHz band upon the expiry of the existing assignments. Under the hybrid approach, each of the four incumbent spectrum assignees (namely China Mobile Hong Kong Company Limited, Hong Kong Telecommunications (HKT) Limited, Hutchison Telephone Company Limited and SmarTone Mobile Communications Limited) would be offered a right of first refusal (RFR) for the re-assignment of 20 MHz of spectrum in the 1800 MHz band. The remaining 70 MHz of spectrum in the 1800 MHz band, together with 50 MHz of spectrum in the 900 MHz band and any spectrum not taken up by the incumbent spectrum assignees under the RFR would be assigned through auction.

"As all four incumbent spectrum assignees accepted the RFR offer in early September 2018, a total of 120 MHz of spectrum, comprising 50 MHz of spectrum in the 900 MHz band and 70 MHz of spectrum in the 1800 MHz band, will be available for bidding in the coming auction," a spokesman for OFCA said.

"For the purpose of the auction, the 50 MHz of spectrum in the 900 MHz band will be divided into five frequency bands, each with a bandwidth of 10 MHz. The 70 MHz of spectrum in the 1800 MHz band will be divided into four frequency bands, three of which with a bandwidth of 20 MHz and one with a bandwidth of 10 MHz. To avoid an unduly high concentration of spectrum holding in the hands of a single assignee, a spectrum cap of 90 MHz will be imposed on the aggregate amount of spectrum in the 900 MHz and 1800 MHz bands which may be acquired by any assignee, with a sub-cap of 20 MHz for spectrum in the 900 MHz band which may be acquired by any successful bidder.

"The Government has set the auction reserve price at HK\$38 million per MHz. The actual amount of spectrum utilization fee payable will be determined in the auction," the spokesman added.

Detailed arrangements of the auction are set out in the IM, which can be downloaded from OFCA's website (ofca.gov.hk/filemanager/ofca/en/content_1107/900_MHz_and_1800_MHz_Auction_IM.pdf). Parties interested in participating in the auction should submit their applications to the OFCA from November 15 to 16, 2018.