

Communications Authority press release

The following is issued on behalf of the Communication Authority:

This press release summarises the decisions of the Communications Authority (CA) following its 82nd meeting held in January 2019:

Adjustment to network and service rollout obligations relating to assignment of spectrum in the 26 GHz and 28 GHz bands for provision of large-scale public mobile services

The CA, having considered the request from the industry, decided to adjust the performance milestones of the network and service rollout obligations to be met by the assignees of the spectrum in the 26 GHz and 28 GHz bands for the provision of large-scale public mobile services. After the adjustment, assignees will be required to install 20 per cent of the minimum number of radio units required to be installed within the first three years following spectrum assignment, an addition of 30 per cent within four years, and an addition of the remaining 50 per cent within five years.

The adjustment responds to the request of the industry, which was raised lately in view of the availability of relevant equipment supply (in particular indoor solutions) and the lead time required for site modification for installation of their radio base stations. Notwithstanding the adjustment, the total minimum number of radio units required to be installed within the first five years following spectrum assignment, set in proportion to the amount of spectrum assigned, remains intact. The performance bond for guaranteeing compliance with the network and service rollout obligations, at \$1 million per MHz of spectrum assigned, also remains unchanged. The performance bond will be released to the spectrum assignees in phases in equal portions upon fulfilment of each milestone.

Potential applicants for administrative assignment of spectrum in the 26 GHz and 28 GHz bands for provision of large-scale mobile services are advised to take this adjustment of network and service rollout obligations into consideration in submitting their applications on or before the deadline, which has been extended to February 22, 2019, in response to the industry's request.

Billing errors of Hong Kong Broadband Network Limited (HKBN)

In June 2018, there were two incidents of billing errors for HKBN's mobile virtual network operator services. The first incident affected 4 773 customers while the second incident affected 155 customers. The erroneous charges involved in the two incidents amounted to a total of about \$600,000. The Office of the Communications Authority (OFCA) conducted an investigation into the two incidents. Having considered OFCA's assessment and HKBN's representations, the CA concluded that HKBN had breached Special Condition

(SC) 5.1 of its Services-based Operator (SBO) Licence (Licence No. 094), which requires it to take all reasonable steps to ensure that the billing system used in connection with the service is accurate and reliable. The CA decided that HKBN should be advised to observe more closely SC 5.1 of its SBO Licence. For details, please refer to the CA's Decision published on the CA's website:

www.coms-auth.hk/filemanager/statement/en/upload/490/HKBN_FinalDecision_20190131.pdf.

Breach of licence conditions by Times International Media Group Limited (TIMG)

The CA decided to impose a financial penalty of \$100,000 on TIMG for failing to provide service in accordance with its Licensee's Proposal between January 1, 2018, and January 15, 2019, and for failing to provide and maintain adequate standby equipment to avoid or minimise service interruption, which contravened Conditions 10.1 and 26 of its non-domestic television programme service licence (Licence).

Under TIMG's Licence, unless with the approval of the CA, TIMG is required to provide a non-domestic television programme service in accordance with the Licensee's Proposal it submitted when applying for the licence. TIMG is also required to provide and maintain adequate standby equipment to ensure that any interruption to its service under the Licence is avoided or minimised, and that necessary repairs or replacements are made or provided promptly. TIMG suspended its service between January 1, 2018, and January 15, 2019, and failed to provide information on steps taken to provide standby equipment or to ensure prompt repair and replacement to avoid or minimise service interruption.

Although TIMG has resumed its service from January 16, 2019, and there is no significant impact on local viewers as TIMG's service targets the Mainland and the Asia-Pacific region, a 12-month suspension of service is a serious breach of the licence condition. Furthermore, TIMG only informed the CA of the suspension seven months later upon the enquiry of OFCA and it is not the first time that TIMG has failed to comply with the requirement on service provision in accordance with its Licensee's Proposal without the CA's approval. Taking into account the circumstances of the case and TIMG's representations, the CA decided to impose a financial penalty of \$100,000 on TIMG for breach of Conditions 10.1 and 26 of its Licence.

Broadcast complaints

The CA considered a complaint case about indirect advertising in three television programmes of Television Broadcasts Limited (TVB), namely "TVB 2018 All Star FILMART", "Scoop" and "Lo and Behold", broadcast on the Jade Channel in March and May 2018. Since the programmes were broadcast before the revised provisions governing indirect advertising came into operation, they were subject to the provisions in the version of the codes of practice which

were in force before July 27, 2018 (note). Having considered the case, the CA decided that a warning should be given to TVB for breaching the relevant provisions in the then version of the Generic Code of Practice on Television Programme Standards.

Details of the above case are at
www.coms-auth.hk/filemanager/en/content_713/appx_20190131_en.pdf.

Note: On July 4, 2018, the CA announced its decision to relax the regulation of indirect advertising in television programme services. To this end, revisions were made to the provisions governing indirect advertising in the codes of practice and they took effect on July 27, 2018.