

Public consultation on assignment arrangements of spectrum in 3.3 GHz and 4.9 GHz bands launched

The Secretary for Commerce and Economic Development (SCED) and the Communications Authority (CA) today (August 28) jointly launched a public consultation on the allocation and assignment arrangements of a total of 200 MHz of spectrum in the 3.3 GHz band (3.3 – 3.4 GHz) and the 4.9 GHz band (4.83 – 4.93 GHz) for the provision of public mobile services, and the related spectrum utilisation fee (SUF).

As announced earlier by the CA, 100 MHz of spectrum in the 4.9 GHz band for territory-wide use and 100 MHz of spectrum in the 3.3 GHz band for use in indoor locations will be made available in 2019 for the provision of public mobile services, including fifth generation mobile (5G) services.

"Spectrum in these two frequency bands forms part of the 4 500 MHz of new spectrum which the CA will release in 2019/2020 for supporting the development of 5G services.

"The 4.9 GHz band has the advantage of being able to support deployment of 5G services in any locations in Hong Kong, whereas the 3.3 GHz band can be used for enhancing 5G indoor coverage in conjunction with spectrum in other frequency bands," a spokesman for the CA said.

As there are likely to be competing demands for the spectrum in the 3.3 GHz and 4.9 GHz bands, the CA proposes to assign the spectrum by way of auction. Separate auctions will be held for the two frequency bands.

As for the related SUF, similar to other spectrum assigned for public mobile services where there are competing demands, it is proposed that the use of the spectrum in the 3.3 GHz and 4.9 GHz bands should be subject to payment of SUF that reflects the full market value of the spectrum. The SUF should be determined by auction and the auction reserve prices will be set by the SCED nearer the time.

"The auctioning of spectrum will ensure that such scarce public resource be put into the hands of those who value it most and who will consequently put it to the most efficient use, to the benefit of the public at large," a spokesman for the Commerce and Economic Development Bureau (CEDB) said.

"The SCED further proposes that spectrum assignees be given a choice to pay the SUF either by lump sum payment upfront or annual instalments so as to afford them a greater financial flexibility," the spokesman added.

Views and comments from the industry and other interested parties are welcome on or before September 26, 2018. After taking into account the views

and comments received in response to the public consultation, the SCED and the CA target to make their respective decisions around the end of 2018. The spectrum auctions for the 3.3 GHz and 4.9 GHz bands are planned to take place around mid-2019.

The consultation paper can be downloaded from the websites of CEDB (www.cedb.gov.hk/ccib/eng/paper/pdf/cp20180828_e.pdf) and the CA (www.coms-auth.hk/filemanager/en/content_711/cp20180828_e.pdf).