

GUIDELINES FOR SUBMISSION OF APPLICATIONS FOR ASSIGNMENT OF SPECTRUM IN THE 26 GHZ AND 28 GHZ BANDS FOR PROVISION OF LARGE SCALE PUBLIC MOBILE SERVICES

Notice of Modification for the Guidelines Published on 21 December 2018

The Office of the Communications Authority has received request from the industry to adjust the performance milestones of the network and service rollout obligations to be met by the Successful Applicants as specified in the *Guidelines for Submission of Applications for Assignment of Spectrum in the 26 GHz and 28 GHz Bands for Provision of Large Scale Public Mobile Services* published on 21 December 2018.

2. According to paragraph 4.10 of the Guidelines, the minimum number of radio units required to be installed within the first five years following spectrum assignment is specified in terms of four milestones, as follows: 20% to be installed within the first one and a half years following spectrum assignment; an addition of 20% within three years; an addition of 30% within four years; and an addition of the remaining 30% within five years. The same are also specified in Schedule 8 and the Annexe to Schedule 9 of the sample Unified Carrier Licence attached to the Guidelines. The industry requested removing the first milestone and adjusting the percentages of the minimum number of radio units to be installed for the remaining three milestones, due to concerns about the current availability of relevant equipment supply (in particular indoor solutions) and the lead time for site modification for installation of radio base stations deploying the spectrum in the 26 GHz and 28 GHz bands.

3. After due consideration and taking into account the latest developments, the Communications Authority 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% of the minimum number of radio units required to be installed within the first three years following spectrum assignment, an addition of 30% within four years, and an addition of the remaining 50% within five years.

4. For the avoidance of doubt, 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 HK\$1 million per MHz of spectrum assigned, also remains unchanged. The performance bond will be released to the spectrum assignees in three phases on equal portions upon fulfilment of each of the three milestones.

Office of the Communications Authority
31 January 2019