

**China Resources Peoples Telephone Company Limited**  
**("Peoples")**

Response to

**Second Consultation Paper on  
Licensing Framework for Deployment of  
Broadband Wireless Access**

**("Second Consultation Paper")**

Date of submission : 21 November, 2005

Peoples would like to submit its views on the Second Consultation Paper issued by the Office of the Telecommunications Authority ("OFTA") dated 31 August 2005.

All abbreviations have the same meaning as in the Consultation Paper.

**Paragraph 7**

*The TA is of the view that the offer of BWA spectrum for deployment by the industry should be facilitated as soon as possible, with a view to assignment of the relevant spectrum to successful bidders in 2006.*

⇒ Peoples supports the TA's proposal in so much that the BWA spectrum should only be issued based on a fully defined Unified Carrier License.

**Paragraph 10**

*The TA is prepared to allow the deployment of any technology which conforms to recognised open standards, for the delivery of BWA services.*

⇒ Peoples supports the TA's proposal.

**Paragraph 13**

*Nevertheless the TA is of view that if the market considers using license-exempt bands is a viable alternative for BWA, consideration will be given to permitting such development under a class/individual license.*

⇒ Peoples supports the TA proposal and would recommend indoor usage only to minimize the risk of radio interference.

**Paragraph 22**

*The TA considers it reasonable and proportionate to allocate 3.4 – 3.6 GHz band to be used for BWA services on a primary basis while allowing the frequencies to be used for FSS on a secondary basis.*

⇒ Peoples supports the TA's proposal.

**Paragraph 26**

*The TA is of the view that a band plan without specification of FDD or TDD mode will best meet market needs. Frequency blocks may be used for either TDD or FDD operation, subject to the operator's own commercial and technical considerations.*

⇒ Peoples supports the TA's proposal.

**Paragraph 27**

*The TA will therefore not fix any guard band but will instead mandate the use of a block edge emission mask in the future license for BWA operators.*

⇒ Peoples supports the TA's proposal.

**Paragraph 31**

*The TA is prepared to allocate 180 MHz spectrum in the 3.5 GHz band for BWA on a primary basis in the forthcoming spectrum allocation exercise. In case the market does not take up all of the spectrum, the frequency blocks which have not been assigned will be put into reserve, and will not be offered again within a certain time frame, say before end 2008. The arrangement for the reserved frequency blocks, if any, would be reviewed in due course.*

⇒ Peoples supports the TA's proposal and would suggest that the arrangement for dealing with any unassigned spectrum be considered in the upcoming spectrum policy review.

**Paragraph 34**

*The TA considers that assignment of spectrum in the form of a paired band would be appropriate.*

⇒ Peoples supports the TA's proposal.

**Paragraph 36**

*The TA is of the view that a territory-wide frequency assignment is more appropriate in the context of Hong Kong.*

⇒ Peoples supports the TA's proposal.

**Paragraph 37**

*The TA proposes that the band plan for the 3.4 – 3.6 GHz band for public telecommunications services in Hong Kong should be made up of six frequency blocks, each consisting of a 15 MHz x 2 paired band, spanning from 3410 MHz to 3500 MHz and from 3510 MHz to 3600 MHz.*

⇒ Peoples has no comment on the above issue.

**Paragraph 42**

*The TA proposes that the scope of permitted services of the future BWA licenses should be restricted to fixed telecommunications services initially and be expanded to include full mobility services after 1 January 2008. Fixed telecommunications service will include the conventional fixed services and telecommunications service of “limited mobility” nature. “Limited mobility” means no cell handoff capability will be permitted before 1 January 2008.*

⇒ Peoples would like to reserve its position on this issue until more is known about the fixed-mobile convergence policy.

**Paragraph 43**

*It is therefore proposed that a new Unified Carrier License will be introduced. The validity period of this new license will be fifteen (15) years, which is the same as that for the existing fixed/mobile carrier licenses. Any interested party, including existing fixed/mobile carriers and new entrants, may bid for the BWA spectrum and, if successful, will be licensed under the Unified Carrier License which will permit the licensee to provide fixed telecommunications service using the BWA spectrum from the start of the license and to provide both fixed and mobile telecommunications service starting from 1 January 2008.*

⇒ Peoples supports the TA’s proposal.

**Paragraph 45**

*The TA intends to allocate telephone numbers with prefixes of “2” and “3” for telecommunications services using the BWA spectrum, including fixed telecommunications services and telecommunications services of limited mobility.*

⇒ Peoples supports the TA’s proposal and would like to request the TA to clarify the interconnection charging principles in relation to BWA and mobile operators.

**Paragraph 47**

*The TA therefore considers that the 3.4 - 3.6 GHz band shall be subject to SUF where it is used for provision of primary services.*

⇒ Peoples supports the TA's proposal.

**Paragraph 49**

*The TA remains of the view that BWA spectrum should be assigned by a hybrid selection method including elements of pre-qualification and spectrum auction.*

⇒ Peoples supports the TA's proposal.

**Paragraph 54**

*The TA considers that an up-front lump sum payment basis should be adopted for the SUF for usage of spectrum for BWA.*

⇒ Peoples supports the TA's proposal.

**Paragraph 55**

*The TA proposes to grant a successful bidder of BWA spectrum a spectrum usage right of 15 years.*

⇒ Peoples supports the TA's proposal.

**Paragraph 61**

*The TA proposes a hybrid selection process including elements of pre-qualification and spectrum auction.*

⇒ Peoples supports the TA's proposal.

**Paragraph 62**

*It is also proposed that the auction for the six blocks of frequencies mentioned in paragraph 37 will take place through a simultaneous multiple round ascending (SMRA) auction. ... Bidders may wish to bid for a specific frequency block so to make adjustments for the technology used and other considerations they may have.*

⇒ Peoples supports the TA's proposal.

**Paragraph 63**

***The TA proposes an open auction rather than a dark room auction.***

⇒ Peoples supports the TA's proposal.

**Paragraph 64**

***A reserve price will be set for each block. The Government will announce the reserve price when the TA invites applications for the BWA licenses.***

⇒ Peoples supports the TA's proposal and would suggest that the reserve price should reflect the latest benchmarks in comparable markets.

**Paragraph 66**

***It is proposed that a bidder will only be allowed to bid for one frequency block (15 MHz x 2) in any round of the auction and if successful, that bidder will be assigned only one frequency block at the end of the auction.***

⇒ Peoples supports the TA's proposal.

**Paragraph 72**

***If the installation concerned is not solely for serving the occupiers of the building concerned, the operators should negotiate commercially with the person having a lawful interest in the land for access to the land and the provision of section 14(1) will not be applicable.***

⇒ Peoples supports the TA's proposal.

**Paragraph 73**

***The TA proposes that the successful bidders will be required, under one of the license conditions, to start offering public services within 24 months after being awarded the BWA spectrum.***

⇒ Peoples supports the TA's proposal.