

China Resources Peoples Telephone Company Limited ("Peoples")

Response to

**Licensing Framework
For Deployment of Broadband Wireless Access
Consultation Paper
("Consultation Paper")**

Date of submission : 14 March, 2004

Peoples would like to submit its views to the Consultation Paper issued by the Office of the Telecommunications Authority ("OFTA") dated 20 December 2004.

Paragraph 5

Peoples supports OFTA's view that BWA services should be licensed in Hong Kong. Peoples supports the view that the licensing of BWA should commence in line with the commercial availability of products.

Paragraph 15

Peoples supports OFTA's view that the 3.5 GHz band could be the most appropriate licensed band for BWA deployment in Hong Kong due to the unavailability of spectrum in other candidate frequency bands for BWA.

Paragraph 19

Peoples supports OFTA's view that the 3.4 - 3.6 GHz band may gradually be allocated to BWA on a primary basis. Peoples also supports OFTA's view that the fixed satellite service (FSS) operators can operate in the same band on a secondary basis or in other bands on a primary basis.

Paragraph 22

Peoples has no comments on this issue.

Paragraph 24

Peoples has no comments on this issue.

Paragraph 25

Peoples supports OFTA's view that a phased approach for the allocation of spectrum to the licensees may be necessary. This will allow the licensees to build their respective networks according to actual market demand and reduce the burden of SUF in the initial phase. In addition, Peoples supports the view that the total amount of bandwidth for the initial phase should be in line with the minimum amount necessary for the technology requirement and a smooth and efficient rollout.

Paragraph 32

Peoples supports OFTA's view that a technology neutrality principle should be adopted such that OFTA should not mandate which technology should be used in the delivery of BWA services. Peoples supports the view that there should be no regulatory issue for OFTA to consider with regard to the equipment market being dominated by one or just a handful of manufacturers. The licensees will choose the most appropriate technology after careful evaluation of all the relevant factors including the equipment supply market.

Paragraph 37

Peoples does NOT support OFTA's view that BWA in Hong Kong may initially be offered as a wireless extension of the conventional wireline based fixed network service and be reserved for carriers with an intention to establish fixed networks in Hong Kong. Peoples supports the view that all interested parties should be eligible to bid for the BWA spectrum on an equal basis.

Paragraph 38

Peoples supports OFTA's view that the service offered by a fixed carrier license through BWA would only be allowed to have "limited mobility", within the entire BWA license period, in the event that BWA spectrum is reserved for fixed network carriers only.

However, if all interested parties should be eligible to bid for a BWA license, as stated in Peoples' view in Paragraph 37 above, then Peoples supports the view that there should be no restrictions on the BWA technology capabilities.

Paragraph 43

Peoples supports OFTA's view that the BWA spectrum may be assigned by auction as this is the most fair and transparent approach.

Paragraph 49

Peoples supports OFTA's view that SUF for BWA may be charged annually on a per MHz basis.

Paragraph 52

Peoples does NOT support OFTA's view that a usage period of ten years may be sufficient for successful bidders of BWA spectrum and that the usage period should take into account the expiry date of existing FTNS licenses.

Peoples supports the view that the usage period of the BWA spectrum should be fifteen years and should be independent of any other license. This license duration period is in line with MNO and FTNS licenses and will allow enough time for technological evolution to cope with the market needs and will also encourage infrastructure investment.

Paragraph 54

Peoples supports OFTA's view that the successful bidders of BWA spectrum may be given the option to return any unused BWA spectrum to the Government over the spectrum usage period except for the initial 5 years.