

Our Ref : PPT/PSD/ER/GEN/LEG/COR/N3/OFTA (I 9997)

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Attn.: Senior Telecommunications Engineer
(Technical Regulation)²

Dear Sir,

OFTA's Consultation Paper
Licensing Framework for
Deployment of Broadband Wireless Access

In response to OFTA's consultation on the licensing framework for the deployment of Broadband Wireless Access ("BWA") in Hong Kong, KCRC would like to share its views for the Telecommunications Authority's ("TA") consideration -

1. KCRC welcomes the deployment of BWA in Hong Kong as the technology would facilitate the provision of telecommunications service in a more efficient manner in terms of time and cost considerations.
2. As set out in the consultation paper, it seems to KCRC that the TA is more inclined to confine the licensing of BWA to fixed telecommunications network services ("FTNS") operators rather than expand it to mobile network operators for the moment. The main reason being that because the "full mobility" technology of BWA is yet to mature, no immediate benefits to mobile network operators can be reaped. While the FTNS operators may adopt BWA as an alternative to resolve the "last mile access" issue, thus further enhancing broadband usage in Hong Kong
3. KCRC respects the intention of the TA in this respect. However as a landlord, KCRC would like to express concern over the potential access rights of the new BWA licensees to any land upon which to place and operate their equipment for the provision

of telecommunications service.

4. BWA technology enables each access point or transmission site to provide coverage of several kilometers or more. It is in fact a wide zone with wireless internet access services. Subject to the network planning and other considerations of the new BWA licensees, the access point or transmission site can be installed anywhere, including within a building where the licensee intends to provide telecom services or upon adjacent buildings up to a few kilometers away.
5. An issue thus emerges. Pursuant to Section 14(l) of the Telecommunications Ordinance, the FTNS operators have free access to any land for the placement and maintenance of telecommunications lines, and such posts as may be necessary. In the event that FTNS Operators are granted the BWA licences, the concern would be whether they still possess the right of free access to any land.
6. This is also a concern to the mobile network operators, whom have expressed their views via the media recently. They opined that it was unfair for the FTNS operators to connect their networks to buildings without charge, while mobile network operators had to pay rent to building owners to put a cell site in a building.
7. As a landlord, KCRC does not wish to see the free access right enjoyed by the FTNS operators applied in the case of BWA licences. As the transmission of signals is not "point to point" as in the case of wireline service, but "point to multi-point" with coverage over few kilometers, similar to that offered by mobile network operators, it is fair and reasonable that the selection of access points and transmission sites be determined by commercial agreements between landowners' and the BWA licensees', rather than by regulatory intervention. In the event that negotiations fail and commercial agreements cannot be reached, the BWA licensee may make use of section 14(1A) to gain access, if so justified by the TA.
8. KCRC supports the TA's proposal to allow only "limited mobility" to the BWA licensee,, which could be considered as a way to differentiate from full mobile service. However, as the coverage of one BWA access point can be up to few kilometers wide, the BWA service, to a certain extent, would compete with mobile services. It is therefore only fair and reasonable to both landlords and to mobile operators that an access fee be payable for BWA transmission sites.

The above is our view on the consultation paper from a landlord's perspective. We should appreciate it if the TA would seriously consider our views.

Yours faithfully,

(Heaster Cheung)

Senior Manager - Advertising & Business Development

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