

**Response of the MTR Corporation to
OFTA Consultation paper - Licensing Framework For Third Generation Mobile
Services Issued on 21 March 2000**

1. Background

- 1.1 The MTR Corporation has since the introduction of 2nd generation (digital) PMRS in 1992 provides PMRS coverage in MTR underground stations and tunnels to the public through the current 11 networks operated by six licensees.
- 1.2 In order to cater for different needs of PMRS whose technology or operating band are different from each other, multiple Distributed Communications Systems (DCS) have been installed to handle GSM900, USDC800 & PCS1800 within MTR. These DCSs were designed and built to provide full and equal access to all operators.
- 1.3 It is MTR's intention, for the best benefit of the travelling public, to provide the same coverage for future 3G mobile phone networks. As spaces inside tunnels and stations are limited, it has been a major consideration for MTR in following the policy of providing ubiquitous coverage for mobile telecommunication services in Hong Kong.
- 1.4 OFTA has issued a consultation paper on Licensing Framework for Third Generation Mobile Services on 21 March 2000 seeking views from the industry.
- 1.5 This paper summaries MTR's views on various issues raised in the consultation paper.

2. Views of the MTR Corporation

- 2.1 **Technical Standards** - MTR supports TA's view to open to the prospective operators to use any IMT-2000 standard within their assigned 3G frequency bands subject to the co-existence of these differing standards in the tunnels/underground stations and no massive alterations to the existing systems. As spaces inside tunnels and stations are limited, in order to provide ubiquitous coverage for mobile telecommunication services in the MTR area, options which required less equipment space should be considered with priority.
- 2.2 **Spectrum for 3G Systems** - It is noted that any frequency band over and above 2200MHz will require new cost effective technologies to be explored or a new leaky co-axial radiation system to be designed and built within MTR tunnels and stations. There will be significant cost and time implication for 3G operators as well as space management for MTR if such frequency band is used.

- 2.3 **3G services in 2G Spectrum** – MTR supports TA’s view to allow existing 2G mobile operators to evolve their networks to 3G subject to such evolution should not require additional equipment space over and above the existing assigned rack space.
- 2.4 **Allocation of TDD spectrum** – MTR supports TA’s view that there is no immediate needs to allocate the TDD spectrum but the TA should announce the earliest date when such decision will be made.
- 2.5 **Need for New Entrant** – MTR supports TA’s view that there should be new entrant to enhance market development.
- 2.6 **Selection of Operators** – MTR supports evaluation of the merits of applications rather than by spectrum auctioning. The reason being it is likely that the cost on obtaining spectrum is pass to the consumers who will also be MTR customers.
- 2.7 **Similar Regulatory Framework for Mobile Telephone Services Applies to 3G** – MTR supports TA’s view that additional measures should be introduced to safeguard effective competition in the 3G market. In particular, all network operators should provide equal access for any 3G value added services providers.
- 2.8 **Timing to Review the Current Framework in View of Fixed-mobile Convergence** - MTR supports the view that regulatory distinction between the fixed services and the mobile services should be maintained as the two are different in nature. In particular, fixed service users will normally have right to use the space for installation of fixed services equipment in their own premises for provision of such service while mobile users will be travelling into buildings and structures owned by others. Buildings and structures owners in this case shall be compensated commercially by the mobile network operators.
- 2.9 **Domestic Roaming between 2G and 3G Networks** – MTR supports the view that domestic roaming should be allowed between existing 2G and further 3G networks but it is on condition that the 3G licenses have specific date for such roaming service be ended. These dates should be as close to initial launch dates as possible and backed by penalty to ensure that 3G licenses have solid plan to provide full coverage.
- 2.10 **Separation of Service Provision from Network Operation** – MTR supports TA’s view to separate service provision and network operation to allow for greater variety of service to be available to consumer. This potentially eliminates the possibility of a controlled supply market due to the limited number of 3G network operation licenses that could be issued.

3. Conclusions

- 3.1 It is the intention of the MTR Corporation to provide ubiquitous coverage for mobile telecommunication services for the travelling public while they are travelling in the MTR system.
- 3.2 There are space, power and cooling capacity limitations in MTR stations and tunnels for the installation of DCS and operators' base station equipment. TA should consider these limitations and the cost implications when deciding the number of licenses and technology standards.
- 3.3 We support that the market should be opened up for new entrant and more licenses should be issued .
- 3.4 The concept of separating service provision and network operation will further safeguard the choice available to consumers.