

Proposed Creation of a New Licence for the Provision of Private Localised Wireless Broadband System – LWBS (Private) Licence

Telecommunications Regulatory Affairs Advisory Committee

16 December 2020



The Existing LWBS Licence

- Created in July 2019 for licensing primarily of localised public wireless broadband services in specified locations
- A maximum of 400 MHz of spectrum in the range of 27.95 – 28.35 GHz is assigned under each licence on a geographical sharing basis
- Subject to maximum network coverage area of 50 km²



Reasons for Creation of LWBS (Private) Licence

- The existing LWBS Licence is not appropriate for entities which merely seek to deploy small 5G systems solely for private uses
- The licensing of private 5G networks is becoming increasingly common in overseas economies, e.g. UK, Germany, Japan, Australia
- Consistent with the Government's policy to facilitate wide and early adoption of 5G for innovative applications



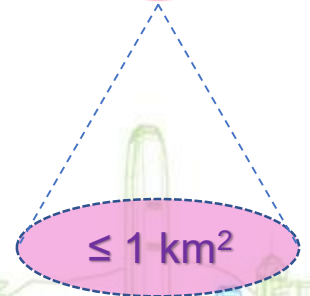
Proposed Licensing Framework of the LWBS (Private) Licence

- For licensing of private wireless communications systems used by licensee itself, e.g. productivity improvement in property management, warehouse/port management, education, factory operation or industrial/enterprise applications

- No provision of public telecommunications services

- Using Shared Spectrum in the same frequency range of 27.95 – 28.35 GHz as for the LWBS Licence, with assignment on a first-come-first-served basis

- Network coverage within a specified geographical area of not more than 1 km²



Proposed Licence Conditions

Section 7(6) of the Telecommunications Ordinance (TO)

- The CA to determine the form, conditions, validity period, fees payable for the proposed LWBS (Private) Licence

Mirroring the licence conditions of the LWBS Licence pertaining to general licence obligation and technical and operational matters

BUT

Not to include conditions relating to the provision of public telecommunications services

- × publication of tariffs
- × billing and metering accuracy
- × provision of information to customers
- × service contracts and dispute resolution, etc.

Proposed Licence Fees and Period of Validity

a) **Fixed Fee : \$10,000 per annum**

b) **Base Station Fee :**

| | |
|---------------------------------------|--------------|
| 1 st to 50 th | \$1,000 each |
| 51 st to 100 th | \$500 each |
| 101 st and thereafter | \$100 each |

c) **Device Fee : Not applicable**

- no resource needed for handling consumer enquiries or complaints

d) **Spectrum Management Fee : Not applicable**

- Unlikely to deal with interference/radiation hazard issues as the maximum coverage area of 1 km² is relatively small

e) **Period of validity : 5 years, subject to extension of up to 5 years**

Comparison between LWBS Licence and LWBS (Private) Licence

| | LWBS Licence (Existing) | LWBS (Private) Licence (New) |
|------------------------|--|---|
| Scope of Operation | For both public services and private use | For private use only |
| Coverage | Within 50 km² | Within 1 km² |
| Frequencies Assignment | Up to 400 MHz in the range of 27.95 – 28.35 GHz (to be assigned on geographically shared and first-come-first-served basis) | |
| Licence Fees | <ul style="list-style-type: none"> Fixed Fee: \$ 100,000 p.a. Base Station Fee: Tiered pricing Device Fee: \$200 per 100 devices Spectrum Management Fee: \$50 per MHz | <ul style="list-style-type: none"> \$ 10,000 p.a. Same as LWBS licence N/A N/A |
| Period of Validity | 5 years subject to further extension of up to 5 years at the CA's discretion | |



Way Forward



Comments from Members

OFCOA to finalise the proposed licensing regime for the LWBS (Private) Licence

Approval of the CA

Implementation in 2021

- Gazettal pursuant to section 7(8) of the TO
- Publication of sample LWBS (Private) Licence, validity period, fees payable, application guidelines and application form on CA's website



Thank You

