

Public consultation on re-assignment of spectrum in 2.5/2.6 GHz band launched

The Secretary for Commerce and Economic Development (SCED) and the Communications Authority (CA) today (September 23) jointly launched a public consultation on the proposed arrangements for the re-assignment of 90 MHz of spectrum in the 2.5/2.6 GHz band for the provision of public mobile services as well as the associated spectrum utilisation fee (SUF).

The 90 MHz of spectrum in the 2.5/2.6 GHz band is currently assigned to three mobile network operators for the provision of fourth generation mobile (4G) services, which are the most popular mobile services in Hong Kong and are expected to be prevailing in the foreseeable future. The existing assignments will expire in March 2024.

Apart from the good radio propagation characteristics of the 2.5/2.6 GHz band in providing wide area coverage and its wide bandwidth in supporting high transmission capacity, the band can also be re-farmed to meet future demand for fifth generation mobile (5G) services.

"As there are likely to be competing demands for the spectrum, the CA proposes to re-assign it by way of auction. Prospective spectrum assignees may deploy the acquired spectrum in a technology neutral manner, including for the provision of 4G and 5G services," a spokesman for the CA said.

Similar to other spectrum assigned for public mobile services where there are competing demands, it is proposed that the SUF should reflect the full market value and will be determined through auction, with the auction reserve prices to be set by the SCED nearer the time.

"The auctioning of spectrum will ensure that such a scarce public resource be put into the hands of those who value it the most and will consequently put it to the most efficient use, thereby benefitting the general public at large," a spokesman for the Commerce and Economic Development Bureau (CEDB) said.

Views and comments from the industry and other interested parties are welcome on or before October 20, 2020. After taking into account the views and comments received, the SCED and the CA target to make their respective decisions in the first quarter of 2021, thereby giving a three-year advance notice to the incumbent spectrum assignees before the expiry of the existing assignments.

The consultation paper can be downloaded from the websites of the CEDB (www.cedb.gov.hk/ccib/eng/paper/pdf/cp20200923_e.pdf) and the CA (www.coms-auth.hk/filemanager/en/content_711/cp20200923.pdf).