The Views and Comments of China Mobile Hong Kong Company Limited ("CMHK")

to

Consultation Paper

of

Arrangements for Assignment of the Spectrum in the 600 MHz and 700 MHz Bands for the Provision of Public Mobile Services and the Related Spectrum Utilisation Fee Issued on 19 August 2020

Date: 13 October 2020

Question 1: Do you have any views on the proposed changes of frequency allocation to mobile service for the entire 614 – 806 MHz band?

CMHK: CMHK agrees with the proposed changes of frequency allocation to mobile service for the entire 614 – 806 MHz band.

Question 2: Do you have any views on assigning the spectrum in the 600/700 MHz bands by way of auction and allowing all interested parties to apply for participation in the auction?

CMHK: CMHK agrees with assigning the additional spectrum in the 600/700 MHz bands by way of auction and allowing all interested parties to apply for participation in the auction. To facilitate the overall network planning with new Sub-1GHz spectrum allocated by OFCA, CMHK proposes that 600/700 MHz and 850 MHz bands will be assigned by way of a single auction.

Question 3: Do you have any views on the proposal that the spectrum in each of the 600 MHz and 700 MHz bands be divided into seven frequency blocks each with a bandwidth of 2×5 MHz?

CMHK: CMHK agrees that the spectrum in each of the 600 MHz and 700 MHz bands can be divided into seven frequency blocks each with a bandwidth of 2 x 5MHz. Consecutive frequency bands in each of the 600 MHz and 700 MHz bands should be assigned to licensee who acquires multiple frequency blocks.

Question 4: Do you have any views on the proposed spectrum cap of 30 MHz in each of the 600 MHz and 700 MHz bands to be imposed on each bidder?

CMHK: CMHK agrees with the proposed spectrum cap of 30 MHz in each of the 600 MHz and 700 MHz bands to be imposed on each bidder

Question 5: Do you have any views on the adoption of the SMRA auction format for the assignment of the spectrum in the 600/700 MHz bands?

CMHK: CMHK agrees with the adoption of the SMRA auction format for the assignment of the additional spectrum in the 600/700 MHz band.

Question 6: Do you have any views on the network and service rollout obligations proposed to be imposed on the successful bidders of the spectrum in the 600/700 MHz bands and the associated performance bond proposed for guaranteeing compliance?

CMHK: CMHK agrees with the proposed network and service rollout obligations to be imposed on the successful bidders of the spectrum in the 600/700MHz bands, and the associated performance bond proposed for guaranteeing compliance.

Question 7: Do you have any views on the proposal in relation to the setting and collection of SUF as specified in paragraphs 32 and 33 above?

CMHK: The reserve price should be set at a reasonable level, both to reflect the current economic condition, to leave much room to the 5G players to develop more 5G applications and to promote Hong Kong as a smart city.

To allow even more financial flexibility, under the option of annual SUF instalment payment, CMHK proposes to give the spectrum assignee a choice to pay off the then outstanding SUF after the 1st assignment year.