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Office of the Communications Authority
29/F, Wu Chung House
213 Queen's Road East
Wan Chai, Hong Kong
Attention: Principal Regulatory Affairs Manager (R22)

1 September 2020

RE: GSMA's comments to the consultation paper on the "Arrangements for Assignment of Additional Spectrum in the 4.9 GHz Band for the Provision of Public Mobile Services and the Related Spectrum Utilisation Fee"

Dear Sir/Madam:

The GSMA would like to thank the Hong Kong Communications Authority (CA) and the Secretary for Commerce and Economic Development (SCED) for the opportunity to comment on the consultation for the *Arrangements for Assignment of Additional Spectrum in the 4.9 GHz Band for the Provision of Public Mobile Services and the Related Spectrum Utilisation Fee*.

In response to the questions raised in the consultation paper, we would like to provide the following comments, where applicable and appropriate, for your kind consideration.

Question 1: Do you have any views on the proposed amendment to the Hong Kong Table of Frequency Allocations as regards the allocation of the 4.80 – 4.83 GHz band to mobile service on a co-primary basis in addition to fixed service, and the 4.99 – 5.00 GHz band to fixed service on a co-primary basis in addition to radio astronomy service?

The GSMA welcomes the proposed allocation of additional spectrum in the 4.80 – 4.83 GHz band to mobile service on a co-primary basis to allow for more spectrum to be made available for assignments. We'd also suggest to add co-primary mobile allocation to the 4.99 – 5.00 GHz band to align with all 3 Regions in the ITU-R Radio Regulations, relocate the government spectrum use from 4.97 – 5.0 GHz to other appropriate band, and then as a result create additional spectrum on offer from 4.96 – 5.0 GHz by including the guard band (4.96 -4.97 GHz) that is no longer needed. This way, there will be greater efficiency in the spectrum band plan and more spectrum available to the industry. The additional spectrum from this band will be important to complement the C-band to improve overall 5G coverage in Hong Kong, such as for areas where C-band usage is restricted.

In addition, the 5G mobile ecosystem in the mid-bands is emerging rapidly, and considering the existing spectrum assignments in Hong Kong, the GSMA would suggest more mid-band spectrum to be made available to the industry in the near future, such as the 4.5 – 4.8 GHz spectrum.



Some other markets have also made this range available. In Mainland China, the Ministry of Industry and Information Technology (MIIT) awarded China Mobile spectrum in the 4.8–4.9 GHz band, while China Broadcasting Network (CBN) also received spectrum in the 4.9 – 5.0 GHz band. In Japan, the 4.6–4.89 GHz band is due to be awarded in future to support private local 5G networks, with regulatory approval for the band’s use to be confirmed later this year. NTT DoCoMo holds 100 MHz for 5G in the 4.5 – 4.6 GHz band. Also, data from the the vendors’ association, GSA, shows that, at the end of May 2020, 296 5G devices had been announced, including 78 already supporting 3GPP band n79.

The following excerpt from the Radio Regulations is shown below as reference.

4 800-5 250 MHz

Allocation to services		
Region 1	Region 2	Region 3
4 800-4 990	FIXED MOBILE 5.440A 5.441A 5.441B 5.442 Radio astronomy 5.149 5.339 5.443	
4 990-5 000	FIXED MOBILE except aeronautical mobile RADIO ASTRONOMY Space research (passive) 5.149	

Question 2: Do you have any views on assigning the additional spectrum in the 4.9 GHz band by way of auction and allowing all interested parties to apply for participation in the auction?

The GSMA supports in principle market-driven spectrum assignment method that is designed based on thorough public consultation and stakeholder feedbacks.

Question 3: Do you have any views on the proposal to divide the additional spectrum in the 4.9 GHz band into two 40 MHz blocks?

MNOs are better placed to respond to this question.

Question 4: Do you have any views on the proposed spectrum cap of 40 MHz to be imposed on each bidder?

MNOs are better placed to respond to this question.

Question 5: Do you have any views on adoption of the SMRA auction format for the assignment of the additional spectrum in the 4.9 GHz band?



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In the case of multiple staggered releases, there is risk that spectrum assignments may be fragmented which would lead to reduced spectrum efficiency and worse network performance. The GSMA would like to suggest the CA to establish a mechanism in the auction design to give successful bidders the flexibility to reshuffle spectrum, if and when appropriate, to achieve contiguous spectrum to maximise spectrum efficiency, reduce interference potential, and ultimately improve network performance.

Question 6: Do you have any views on the network and service rollout obligations proposed to be imposed on the successful bidders of the additional spectrum in the 4.9 GHz band, and the associated performance bond (in the case of new assignees of spectrum in the 4.9 GHz band) or undertaking (in the case of existing assignees of spectrum in the 4.9 GHz band) proposed to be provided by successful bidders to secure compliance?

The GSMA would like to highlight that, while it is important to prevent spectrum hoarding, any network and service rollout obligation will need to be considered in the context of the overall MNO commitments across different spectrum holdings and their operational practicalities, e.g. ongoing commitments for the C-band deployments and for existing 4.9 GHz licensees.

We would discourage the practice of performance bond because the amount will be better spent in network deployments than in a static bond, that will in turn better serve the government's policy objective to increase coverage. Compliance to licence obligations can be managed through established regulatory tools, e.g. penalties or incentivised licence payments.

Question 7: Do you have any views on the proposal in relation to the setting and collection of SUF as specified in paragraphs 30 and 31 above?

The GSMA would encourage, in principle, the SCED to adopt a reserve price that is set at a low and reasonable level to facilitate the discovery of market price. Reserve price that is set to reflect any pre-determined fiscal target is counterproductive and goes against the market-based principle as instructed in the Radio Spectrum Policy Framework. GSMA Intelligence has studied spectrum fees' impact and concluded that high prices negatively affect investment capacity, quality of service, coverage and user affordability.

Specifically, the GSMA considers that this reserve price could be set at the same level compared to the previous 4.9 GHz auction reserve price to provide a level playing field. Moreover, the GSMA would further suggest that an even lower reserve price, compared to the previous 4.9 GHz auction, could be adopted this time to provide the much needed support that the industry needs in response to the impact of the COVID-19 pandemic.



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Once again, the GSMA appreciates the opportunity to comment on this consultation issued by the CA and the SCED. We are keen to continue the close dialogue with the CA and the SCED on the above matters, and look forward to working closely to facilitate successful 5G development in Hong Kong.

Yours sincerely,

A handwritten signature in blue ink, appearing to be "Joe Guan".

Joe Guan
Head of Policy, Greater China
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Copy to:
Mr Chaucer Leung
Director General
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About the GSMA

The GSMA represents the interests of mobile operators worldwide, uniting more than 750 operators with almost 400 companies in the broader mobile ecosystem, including handset and device makers, software companies, equipment providers and internet companies, as well as organisations in adjacent industry sectors. The GSMA also produces the industry-leading MWC events held annually in [Barcelona](#), [Los Angeles](#) and [Shanghai](#), as well as the [Mobile 360 Series](#) of regional conferences.

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