

Seeking Views on Requests for Extension of Dates for Auction of Radio Spectrum in the UHF Band

According to the indicative timetable provided in the Information Memorandum dated 26 February 2010, the application dates for participation in the captioned auction of radio spectrum are on 22 April 2010 and 23 April 2010 with the auction to be held on 17 May 2010.

2. The Telecommunications Authority (“TA”) has received requests from three interested parties for an extension of the dates related to the auction by up to four months. They considered that more than a year has elapsed since the conclusion of public consultation and announcement of the implementation framework for mobile television (“TV”) services in December 2008. Many potential bidders would have adjusted their business plans until a firm auction date is announced. The three interested parties generally considered that it would be beneficial to potential bidders if they could have more time to:

- (a) review and assess the impact of latest developments in technologies and consumer devices supporting mobile TV services;
- (b) study and develop the business models for the mobile TV services, which are complex and challenging due to the telecommunications-cum-broadcast nature of the services; and
- (c) explore different financing options and joint venture opportunities.

3. The TA is of the view that the period of extension being requested is relatively long in the fast-moving telecommunications industry. As a matter of fact, the Government has already indicated its intention to conduct the auction in early 2009¹ and hence interested parties should have sufficient advance notice to prepare for the auction and formulate their business plans. Nevertheless, the TA recognizes that

¹ See the press release on “Framework for development of mobile television services announced” dated 22 December 2008 issued by the Government (<http://www.cedb.gov.hk/ctb/eng/press/pr22122008.htm>).

he has to strike a proper balance between the need to facilitate more interested parties to participate in the auction on the one hand, and to enable consumers to enjoy innovative broadcast-type mobile TV services as early as possible on the other. Having considered the reasons given by the interested parties requesting for the extension, the TA is of the preliminary view that an extension of the key dates for around six weeks would be proportionate and reasonable.

4. Accordingly, it is proposed that the application dates for participation in the auction would be changed to 3 June 2010 and 4 June 2010 with the auction to be held on 28 June 2010. The date of the industry briefing will however remain unchanged on 31 March 2010. The indicative timetable would be revised as follows:

Activity	New Indicative Dates
Industry Briefing	31 March 2010 (Wed) (unchanged)
Application Dates	3 & 4 June 2010 (Thu & Fri)
Publication of Bidder Notice to announce the identities of Bidders (i.e. applicants)	4 June 2010 (Fri)
Publication of Qualified Bidder Notice to announce the identities of Qualified Bidders	17 Jun 2010 (Thu)
Issue of Bidding Stage Notice to inform Qualified Bidders of the date on which Bidding Stage will commence	17 Jun 2010 (Thu)
Training and mock auction sessions for Qualified Bidders	22 & 23 Jun 2010 (Tue & Wed)
Commencement of Bidding Stage	28 Jun 2010 (Mon)

5. The TA would like to invite written submissions, with supporting reasons, from interested parties on whether they agree or disagree with TA's proposed extension of the dates related to the auction.

6. All submissions should reach the TA by close of business on 18 March 2010 through any of the following means:

By post: Office of the Telecommunications Authority
29/F, Wu Chung House
213 Queen's Road East
Wanchai
Hong Kong

By fax: (852) 2116 3334

By email: auction-mobiletv@ofta.gov.hk

7. The TA reserves the right to publish all views and comments received as well as the identity of the source.

Office of the Telecommunications Authority
11 March 2010