Legislative Council

LC Paper No. CB(1)178/06-07 (These minutes have been seen by the Administration)

Ref : CB1/PL/ITB/1

Panel on Information Technology and Broadcasting

Minutes of meeting held on Tuesday, 18 July 2006, at 5:00 pm in Conference Room A of the Legislative Council Building

Members present: Hon SIN Chung-kai, JP (Chairman)

Hon Albert Jinghan CHENG (Deputy Chairman)

Hon Fred LI Wah-ming, JP

Hon Jasper TSANG Yok-sing, GBS, JP

Hon Howard YOUNG, SBS, JP

Members absent Dr Hon LUI Ming-wah, SBS, JP

:

Hon Emily LAU Wai-hing, JP

Hon Timothy FOK Tsun-ting, GBS, JP

Hon Ronny TONG Ka-wah, SC

Public officers

attending

Agenda Item III

Mr Eddie CHEUNG

Acting Deputy Secretary for Commerce, Industry and

Technology (Communications and Technology)

Mr MA Po-ho

Chief Telecommunications Engineer (Advisory and

Spectrum Management)

Office of the Telecommunications Authority

Attendance by Invitation

Agenda Item III

Asia Television Limited

Mr KWONG Hoi-ying

Senior Vice President-Corporate Development and

External Affairs

Mr HO Nai-yin, Howard

Senior Vice President – Engineering

Television Broadcasts Limited

Mr CHEONG Shin-keong

General Manager, Broadcasting

Dr Janie TO

Manager, Research and Development Department

Clerk in attendance: Mr Paul WOO

Chief Council Secretary (1)7

Staff in attendance: Ms Debbie YAU

Senior Council Secretary (1)1

Ms Sharon CHAN

Legislative Assistant (1)6

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Confirmation of minutes and matters arising

(LC Paper No. CB(1)1951/05-06

-- Minutes of special meeting held on

11 March 2006

LC Paper No. CB(1)1875/05-06(01) -- Letter dated 26 June 2006 on

regulation of contents of radio programmes provided by the

Administration

LC Paper No. CB(1)1819/05-06(01) -- Letter dated 17 June 2006 from

Broadcasting Authority on Hong Kong Commercial Broadcasting Company Limited's contravention of the Radio Code of Practice on Programme Standards in relation to

its radio programme "So Fab"

LC Paper No. CB(1)1790/05-06(01) -- Press release on financial penalty imposed by Broadcasting Authority on Hong Kong Commercial Broadcasting Company Limited

LC Paper No. CB(1)1863/05-06(01) -- Submission from the Anti-Pornographic & Violence Media Campaign

Confirmation of minutes

The minutes of the special meeting held on 11 March 2006 were confirmed.

Matters arising

Concerns caused by radio programme "So Fab"

2. The Chairman briefed members that in response to the Panel's request made at the last meeting on 12 June 2006, the Broadcasting Authority (BA) had provided written information (issued vide LC Paper No. CB(1)1819/05-06(01)) on its investigation of the public complaints about the promotion of an objectionable web poll on "the top ten Hong Kong female artiste whom I most want to indecently assault" in the radio programme "So Fab" of the Hong Kong Commercial Broadcasting Company Limited (CRHK). The BA decided that CRHK had breached several clauses in the Radio Code of Practice on Programmes Standards. As a result, BA imposed a financial penalty of \$140,000 on CRHK, and directed it to include an apology in its service and submit a progress report within three months on the remedial measures taken to enhance professionalism and sense of responsibility of its staff. The Chairman also drew members' attention to the the Administration (issued paper provided by vide LC Paper CB(1)1875/05-06(01)) explaining its position on whether there was a need to tighten up the existing monitoring mechanism for radio programmes to guard against recurrence of similar incidents. Members did not propose any further follow-up action to be taken by the Panel on the subject matter.

Issues related to the regulation of pornographic and violent materials transmitted through the mass media

3. The Chairman said that the above subject matter had been placed on the Panel's list of outstanding items for discussion in response to requests made by Hon CHOY So-yuk and the Anti-Pornographic & Violence Media Campaign (issued vide LC Paper Nos. CB(1)519/05-06, CB(1)1688/05-06 and CB(1)1863/05-06(01)). He suggested that a special meeting be convened on 11 September 2006 to discuss related issues and an invitation for written views from the public be posted on the Legislative Council (LegCo)'s website. Members agreed.

(*Post meeting note:* An invitation for written submissions has been posted on the Council's website accordingly.)

II Paper issued since last meeting

4. Members noted that no paper had been issued since the last meeting.

III Progress in the implementation of digital terrestrial television broadcasting in Hong Kong

(LC Paper No. CB(1)1950/05-06(01) -- Administration's paper on progress of the implementation of digital terrestrial television broadcasting in Hong Kong

LC Paper No. CB(1)1975/05-06(01) -- Submission from Television Broadcasts Limited)

5. The Chairman welcomed Asia Television Limited (ATV), Television Broadcasts Limited (TVB) and the Administration to the meeting. He recapitulated that the Administration had issued a LegCo Brief on 29 March 2006, which provided a detailed update on the progress of the implementation of digital terrestrial television (DTT) broadcasting (File Ref.: CTB(CR)9/1/9(06) Pt.21). At the last Panel meeting on 12 June 2006, members agreed to invite the Administration and representatives of ATV and TVB to discuss the subject matter.

Briefing by the Administration

- 6. Acting Deputy Secretary for Commerce, Industry and Technology (Communications and Technology) (DSCIT(CT) Atg) highlighted that the Administration had conducted two rounds of public consultation in 2000 and 2003 to solicit public views on issues relating to DTT broadcasting in Hong Kong. On 9 July 2004, the Government announced the implementation framework for DTT broadcasting. On 29 March 2006, a LegCo Brief on "Implementation Framework for DTT Broadcasting in Hong Kong" was issued. DSCIT(CT) Atg outlined the implementation framework and the progress as follows-
 - (a) Major milestones of the three phases of DTT implementation:
 - (i) Phase I (2004 2008) Realization of DTT

Major tasks included securing ATV and TVB's investment commitments in the project, constructing transmission networks, launching DTT by 2007 and expanding digital coverage to at least 75% of Hong Kong in 2008.

(ii) Phase II (2009 – 2011) – Switch-over to DTT

Major tasks included full-scale promotion to drive consumer take-up of DTT, considering the disposal of the two multiplexes in reserve, reviewing analogue switch-off target, achieving wider coverage of DTT and formulating plans and preparing for analogue switch-off.

(iii) Phase III (2012 and beyond) – Analogue switch-off

Major tasks were to review DTT coverage, switch off analogue transmission by 2012 and plan for the use of freed up spectrum after analogue switch-off.

- (b) Progress made since the announcement of the implementation framework for DTT broadcasting:
 - (i) BA and the Telecommunications Authority had respectively approved ATV and TVB's investment plans for DTT programme According to their investment service and network rollout. plans, ATV would launch four new standard definition television (SDTV) channels while TVB had committed to providing a high definition television (HDTV) channel from end 2007. accommodate additional equipment for digital broadcasting by 2007, both broadcasters were working under a tight schedule to design and construct new broadcasting infrastructure at hilltop transmission sites. They had obtained planning approval from the Town Planning Board and relevant government departments for the construction of transmission stations at Temple Hill and Golden Hill, and were planning to upgrade other transmission The Office of the Telecommunications Authority (OFTA) had been leading a working group with ATV and TVB to solve technical problems and facilitate inter-departmental coordination so as to ensure timely network rollout.
 - (ii) DTT reception occurred at two levels – building level and premises level. Receiving equipment at both levels had to be installed or upgraded in order to receive DTT signals. instance, at the premises level, viewers would need to install digital set-top boxes or use integrated digital TV sets with built-in digital decoders for viewing DTT programmes. had been leading another working group involving both ATV and TVB to handle all technical issues related to DTT reception and receiving equipment, including working out standards for compliance by electronics manufacturers/suppliers communal antenna broadcast distribution (CABD) system operators, and devising a labeling scheme for DTT consumer

products, etc.

(iii) The pace and success of digital switch-over hinged on the readiness of consumers to take up DTT. It was believed that the 2008 Beijing Olympic Games would be a driver to boost take-up because HDTV sports programmes had the most discernable visual impact. To raise public awareness of and interest in DTT broadcasting, the Administration had published a pamphlet on Digital TV and launched a dedicated website on DTT (http://www.digitaltv.gov.hk) to inform the public of the latest progress of DTT implementation.

To sum up, <u>DSCIT(CT)</u> Atg advised that the Administration would brief the Panel again in early 2007 after the Government had approved the technical standard for DTT transmission.

Presentation by TVB and ATV

Television Broadcasts Limited

7. Mr CHEONG Shin-keong, General Manager, Broadcasting of TVB said that TVB's work on implementation of DTT broadcasting was in good progress. In May/June 2006, TVB had obtained the necessary approval and land grant for the construction of the principal transmission station at Temple Hill. TVB aimed to complete the construction of the Temple Hill station by the first half of 2007 and commence DTT testings and transmission trials afterwards. He further informed members that to achieve the target of 75% DTT coverage by 2008, TVB was required to construct another five principal transmission stations in different areas. It was expected that one or more of these stations would be ready for DTT transmission within the first half of 2008.

Asia Television Limited (ATV)

8. Mr KWONG Hoi-ying, Senior Vice President, Corporate Development and External Affairs of ATV, said that ATV had joined hands with TVB in rolling out the infrastructure for DTT broadcasting with a view to achieving 75% coverage by end 2008. To promote take-up of DTT by consumers, ATV planned to launch, by end 2007, four SDTV channels providing Cantonese, Putonghua and multi-lingual DTT programmes, and provide not fewer than 14 hours per week of HDTV programmes during prime time. He envisaged that with the joint efforts of ATV, TVB and the Government, ATV would be able to commence simulcast of analogue and DTT broadcasting by end 2007.

Issues raised

DTT implementation schedule and technical standard

- 9. Regarding the pace of DTT implementation, Mr Jasper TSANG expressed concern about the timing for finalizing the technical standard for DTT broadcasting in Hong Kong. Mr CHEONG Shin-keong of TVB responded that the technical standard should be decided by end 2006 the latest if DTT broadcasting was to be launched by end 2007. TVB aimed to commence DTT broadcasting in mid-2007 although this was not specified in the licence requirements. For the target to be achieved, the technical standard for DTT broadcasting needed to be finalized within the next three months. Mr KWONG Hoi-ying of ATV said that as agreed with the Administration, if the Mainland did not promulgate a national standard by end 2006, ATV and TVB might adopt the European DVB-T technical standard. He however opined that for technical reasons, it would be preferable for Hong Kong to adopt the national standard of the Mainland which had not yet been available. KWONG anticipated that the Mainland might be able to decide on the national standard in the next few months, in view that a number of DTT conferences would be held shortly in the Mainland.
- 10. Noting that in the absence of the national standard of the Mainland by end 2006, ATV and TVB might adopt the European DVB-T standard for DTT broadcasting, Mr Jasper TSANG asked about the consequences if the European DVB-T standard was found to be incompatible with the Mainland national standard promulgated afterwards, and whether the two broadcasters would abandon the European DVB-T standard and switch to the Mainland standard.
- 11. Mr CHEONG Shin-keong of TVB responded that it would not be advisable to change to another technical standard once a certain standard had been adopted, with all the associated technical problems which might arise. For example, viewers would need to purchase either new set-top boxes to be connected to their existing TV sets, or integrated digital TV sets with built-in digital decoders, in order to receive the DTT signals transmitted via the newly-adopted standard. He added that there were no multi-system set-top boxes or digital TV sets currently available in local and overseas markets and manufacturers might not consider it commercially viable to develop such products for a small market like Hong Kong. Hence, the adoption of another DTT standard after a certain technical standard had been used would not serve the interest of the public.
- 12. Mr KWONG Hoi-ying of ATV recalled that in response to the Administration's consultation on DTT, the broadcasting industry had urged the Government to make reference to overseas experience in finalizing the timetable for launching DTT broadcasting in Hong Kong. After the two rounds of public consultation, the Administration and the industry agreed that in order not to further delay DTT implementation, the choice of technical standard should be decided by end 2006, and both ATV and TVB submitted that they preferred the national standard of the Mainland. He considered that such was a reasonable timing. As the implementation of DTT broadcasting would bring about economic benefits to

Hong Kong resulting from more efficient use of the available spectrum, promulgation of the national standard of the Mainland should not be delayed. Mr KWONG reiterated that ATV wished that the Mainland could finalize the national standard within the next few months.

13. While supporting the view that it would be more desirable for Hong Kong to use the national standard of the Mainland for DTT transmission, Mr Howard YOUNG enquired whether the DTT transmission stations would be technology-neutral, i.e. they could be used to meet any technical standard to be adopted. Mr CHEONG Shin-keong of TVB replied that the transmission stations would be technology-neutral but the DTT reception and receiving equipment would be technology-specific. The equipment would not be procured until early 2007. Thereafter, implementation would proceed according to the chosen technical standard.

DTT reception at the building level

- 14. <u>Mr Jasper TSANG</u> pointed out that when pay TV was first introduced, adjustments needed to be made to stand-alone rooftop antennae of buildings or in-building CABD systems to enable subscribers to receive the TV services while ensuring that non-pay TV viewers' reception of free TV services would not be affected. Drawing from the experience, <u>Mr TSANG</u> was concerned whether DTT broadcasting, upon implementation, would affect the reception of pay TV programmes, and therefore necessitate coordination with the pay TV operators in sorting out any technical problems related to DTT reception at the building level.
- 15. In reply, <u>Chief Telecommunications Engineer (Advisory and Spectrum Management) of OFTA (CTE (ASM)/OFTA)</u> explained that terrestrial and pay TV services used different broadcasting platforms and technologies. Terrestrial TV, satellite TV and cable pay TV signals could be transmitted through the In-Building Coaxial Cable Distribution System (IBCCDS). Necessary adjustment would have to be made to the IBCCDS if it was to be used to carry additional DTT signals. He reiterated that technical issues related to DTT reception were being dealt with by a dedicated working group under OFTA.
- 16. The Chairman and Mr Jasper TSANG enquired about the scale and financial implications of the improvement works required to be undertaken in public housing estates for implementing DTT broadcasting. DSCIT(CT) Atg replied that the Commerce, Industry and Technology Bureau (CITB) was in close liaison with the Housing Authority (HA), the Housing Department (HD) and the Hong Kong Housing Society (HKHS) on matters relating to installation or upgrading of in-building CABD systems for new and existing public housing buildings for the reception of DTT services, as well as working out the budgetary forecast for such works. He said that as soon as the DTT technical standard was decided, a set of technical parameters on DTT transmission would be forwarded to HA/HD/HKHS so that they could include the technical specifications in the relevant tender documents when inviting bids from contractors to carry out the upgrading works.

- 17. Noting that the technical standard would not be finalized until early 2007 and both ATV and TVB planned to commence DTT broadcasting by mid-2007, the Chairman was concerned whether HA/HS/HKHS could complete the CABD upgrading works for public housing estates within the tight timeframe.
- 18. <u>DSCIT(CT)</u> Atg said that DTT services would be rolled out in phases, meaning that some areas would be able to receive DTT services earlier than others. Thus, HA/HS/HKHS did not need to upgrade all buildings at the same time. Upgrading work would be implemented in phases with priority accorded to those areas that would be able to receive DTT services in the initial phase. However, it was difficult to give a definite timeframe for completion of the necessary installation and upgrading works for CABD systems as cases might vary with individual estates or buildings. <u>DSCIT(CT)</u> Atg advised that the working group led by OFTA would enlist the participation from HA/HD/HKHS in handling issues related to DTT transmission, and work out the technical requirements for the contractors to follow.
- 19. <u>The Chairman</u> enquired whether technical advice and assistance would be given to household viewers in private buildings, especially the single-block buildings, to help them migrate to DTT services. <u>CTE (ASM)/OFTA</u> replied that OFTA, assisted by the Home Affairs Department, had been disseminating telecommunication/broadcasting-related information to the owners' corporations of private buildings. Such efforts would continue in the process of launching DTT broadcasting.

DTT reception at the premises level and set-top boxes

- 20. Noting that many plasma/Liquid Crystal Display (LCD) TV sets currently available in the market were specified as digital TV or HDTV-ready, Mr Howard YOUNG sought clarification on whether users of plasma/LCD TV sets manufactured in Europe would be required to purchase set-top boxes for viewing of DTT programmes if Hong Kong finally chose the European DVB-T standard for DTT broadcasting. Mr CHEONG Shin-keong of TVB responded that his understanding was that most plasma/LCD TV sets currently in the market were not equipped with built-in DTT decoders. The so-called "HDTV-ready" TV sets were normal analogue TV sets that could display images with quality equivalent to high definition resolution. In other words, viewers using these plasma/LCD TV sets, now estimated to be in the region of 300 000 sets in Hong Kong, would still be required to purchase set-top boxes (the DTT decoders) in order to view DTT programmes.
- 21. Mr HO Nai-yin, Senior Vice President Engineering of ATV further explained that a HDTV-ready TV set receiving a high definition signal from, say, a digital-versatile-disc (DVD) player/recorder through the TV set's video or super-video input, could display images of high definition quality. However, as HDTV-ready TV sets normally did not have built-in decoders to receive DTT signals transmitted at UHF Band IV/V frequencies, consumers would need to purchase set-top boxes to connect to these TV sets in order to view DTT

programmes.

- 22. The Chairman expressed concerned about the availability of set-top boxes to consumers at affordable prices for DTT viewing. DSCIT(CT) Atg replied that according to the experience in Australia, manufacturers were prepared to produce a variety of products capable of supporting HDTV and/or SDTV services or equipped with computerized recording function. Depending on the design and functions of these products, the prices ranged from tens to thousands of Australian dollars.
- 23. Mr CHEONG Shin-keong of TVB said that in view of the vast business opportunities made possible by the analogue-to-digital service migration, he believed that manufacturers of plasma/LCD TV sets would offer set-top boxes at competitive prices, particularly when promoting sale of up-scale TV sets. He added that in addition to HDTV services, DTT broadcasting also supported datacasting. The set-top boxes would have to be standardized to comply with the technical transmission parameters, and be suitably tested to ensure that they could decode and display DTT signals properly.
- 24. Highlighting DTT's added advantages of supporting interactive services such as electronic games and e-shopping, Mr KWONG Hoi-ying of ATV considered that there were incentives for manufacturers to invest in production of set-top boxes for DTT broadcasting in Hong Kong. He further pointed out that set-up boxes for the European DVB-T standard suiting the needs of Hong Kong might not be readily available in the market. In his view, adoption of the national technical standard of the Mainland for local DTT broadcasting could help mass production of set-top boxes in lower prices for the local users, and boost early take-up of DTT.

Public awareness and interest

25. In response to the Chairman's enquiry on publicity on DTT broadcasting, DSCIT(CT) Atg said that the Communications and Technology Branch of CITB had uploaded a set of Frequently Asked Questions (with answers) onto its website. The content of these questions-and-answers would be expanded and enriched as and when appropriate. He added that the Administration would launch publicity and promotion campaigns to educate the public, raise their awareness of the implementation of DTT, and encourage early take-up at different stages.

Digital audio (DA) broadcasting

26. The Deputy Chairman noted from the tests on DA broadcasting conducted by Radio-Television Hong Kong (RTHK) that about seven transmission stations would be required for achieving territory-wide coverage of DA broadcasting. However, some of the existing sound transmission stations might not be suitable for supporting DA broadcasting. Noting that the Government would grant permission for TVB and ATV to construct transmission stations at different locations for DTT broadcasting, he enquired whether these transmission stations could also be used to transmit DA signals so as to create a synergy effect for digital broadcasting.

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- 27. <u>DSCIT(CT)</u> Atg explained that separate networks and transmission stations at different locations were used for sound and terrestrial TV broadcasting respectively. He said that DA broadcasting, if implemented, would continue to use the existing sound network and transmission stations rather than those constructed for DTT broadcasting. <u>DSCIT(CT)</u> Atg said that to his understanding, RTHK had installed digital transmission devices at the existing sound transmission stations in conducting DA broadcasting tests.
- 28. <u>CTE (ASM)/OFTA</u> supplemented that at present, there were seven sound transmission stations providing territory-wide FM broadcasting, whereby different frequencies were used for the same channel at different locations. For terrestrial TV broadcasting, which was transmitted in higher frequency spectrum, six major and more than 40 supplementary transmission stations were used to achieve territory-wide coverage.

The way forward

Admin

29. To conclude, the Chairman said that the Panel supported the early implementation of DTT broadcasting in Hong Kong. He requested that pending the decision on the DTT technical standard to be used, the Administration should report to the Panel in the first quarter of 2007 the latest progress and development, including, in particular, how the technical problems related to DTT transmission and reception had been dealt with (e.g. availability of set-up boxes for use by the general viewers) and how the Administration had strengthened publicity and education to assist the public in preparing for the launching of DTT broadcasting.

IV Any other business

30. There being no other business, the meeting ended at 6:00 pm.

Council Business Division 1
<u>Legislative Council Secretariat</u>
27 October 2006