

Press Releases

LCQ17: Digital audio broadcasting

Following is a question by the Hon Frederick Fung and a written reply by the Secretary for Commerce and Economic Development, Mr Gregory So, in the Legislative Council today (October 17):

Question:

Less than one month after their official launching, all the seven digital audio channels of Digital Broadcasting Corporation Hong Kong Limited (DBC) had discontinued their broadcasting services earlier. In this connection, will the Government inform this Council:

(a) of the latest development of the aforesaid discontinuation of broadcasting services as well as the sequence of events leading to the incident; whether it has assessed the impact of the discontinuation on the public;

(b) whether the authorities have conducted any communication with DBC on the possible discontinuation and carried out any mediations, etc., so as to avoid the discontinuation of broadcasting services which will deprive the public of the choice of listening to audio broadcasting programmes of high sound quality and originality; if they have not, of the reasons for that, whether they have assessed if their failure to respond is contrary to the policy direction of the authorities in promoting and publicising the development of digital broadcasting, and is not fair to small enterprises which have imported digital radio sets as well as members of the public who have bought digital radio sets in response to the Government's appeal; and

(c) whether it has assessed the impact of the discontinuation of broadcasting services on the future development of digital broadcasting in Hong Kong; if it has, of the results, including whether the remaining two digital audio broadcasting corporations, which have not yet launched their services officially, will be affected; whether the authorities will consider intervening proactively at this stage in the discontinuation of broadcasting services by DBC's digital audio channels and carrying out mediation, etc., so as to assist them in resuming broadcasting expeditiously, thereby enabling the public to continue to have more choices in listening to audio broadcasting programmes of originality, and facilitating the sustainable development of digital broadcasting in Hong Kong?

Reply:

President,

In March 2011, the Chief Executive in Council granted Digital Broadcasting Corporation Hong Kong Limited (DBC), Metro Broadcast Corporation Limited (Metro) and Phoenix U Radio Limited (Phoenix U) sound broadcasting licences to provide digital audio broadcasting (DAB) services. The three commercial broadcasters, together with Radio Television Hong Kong (RTHK), provide a total of 18 DAB channels in phases. As an independent statutory regulatory body, the Communications Authority (CA) is responsible for monitoring the licensees' compliance with the requirements of the relevant legislation and licence conditions.

The sound broadcasting licences of the three commercial operators require them to formally launch their service within 18

months after the licence grant date (i.e. by September 21, 2012). In the licence of DBC, the company is required to provide seven 24-hour programme channels (including a "Talk Radio" Channel, an Ethnic Minorities Channel and two Music Channels, and three other channels which can be a News and Market Update Channel, Leisure Life Channel, Community Channel or Music Channel) at its formal launch. DBC soft launched its services in August 2011 and had formally launched its services by the deadline as required by the licence. Meanwhile, the other three DAB operators (i.e. Metro, Phoenix U and RTHK) have also formally launched a total of seven programme channels, and this number will progressively increase to 11.

The Office of the Communications Authority (OFCA) received a written notification in the afternoon of October 10 from DBC on matters relating to its cessation of operation as from 8pm that day. Since other relevant information was not provided in DBC's written notification, OFCA wrote to DBC immediately that evening to restate the licence requirements and request DBC to provide detailed information. In the afternoon of October 12, OFCA received a written notification from DBC that it would resume broadcasting on October 15. OFCA had written to DBC on the same day to seek more details on its resumption of broadcasting and remind DBC of its obligations to comply with the licence conditions and the Telecommunications Ordinance (Cap. 106). After receiving the reply from DBC and gaining more details of the incident, OFCA will take appropriate follow-up actions in accordance with licence conditions and the Telecommunications Ordinance. According to the Broadcasting (Miscellaneous Provisions) Ordinance (Cap. 391) and the relevant licence, CA may impose penalties, such as financial penalty or suspension of licence, if any breach in licence conditions is established.

Since we became aware of the disagreement among the shareholders of DBC, we had followed up closely on developments, maintained contact with its management, and reminded the company to comply with licence conditions. The Commerce and Economic Development Bureau had also twice written to DBC for clarification on media reports, and met with DBC management upon request for more than once. However, we reiterate that individual licensee has the responsibility to handle its internal affairs properly. It is inappropriate for the Administration to interfere with the internal operation of media organisations, nor to play the role of commercial mediator to resolve disagreements on capital injection among the shareholders of a private company. We have time and again appealed that the shareholders of DBC should take into account the expectations and interests of the audience and to resolve their disagreement in a pragmatic manner. Relevant parties can lodge complaints relating to broadcasting services to the independent CA through established mechanism for investigation and follow-up.

We reiterate that it has all along been the Government's policy to support the development of DAB and to strive to enhance the service standard of DAB. This is a clear policy which remains unchanged notwithstanding the recent incidents. Since the grant of the DAB licences, the Government has implemented a series of supporting measures to promote the development of DAB, including the development of infrastructure (e.g. allocating over \$46 million to install re-broadcasting system for DAB in 11 Government tunnels, allowing the increase in the transmission power after frequency coordination with the Mainland Authorities, etc.) and organising promotional and publicity activities.

DAB is a new broadcasting service. The recent disagreement among shareholders of DBC has resulted in operational problems in the company and affected the development of DAB. But RTHK and the other two commercial broadcasters are currently providing DAB service according to their plan or licence requirements. We hope

that the audience will give time and space for this new service to continue to develop.

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