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Panel on Information Technology and Broadcasting

Special meeting on 27 March 2014

Background brief on development of mobile television services

Purpose

1. This paper provides background information on the development of mobile television ("mobile TV") services, and also a summary of views and concerns expressed by Members in previous discussions.

Background

2. The development of mobile TV services, which exemplifies multimedia convergence and opens up opportunities for more content and programming choices for the viewing public, is gaining momentum in the broadcasting and telecommunication sectors of Hong Kong. In addition to the digitization of the cable and satellite TV services, digital terrestrial television (DTT) service has been launched in December 2007. While third generation mobile telephony technology and mobile phones are already capable of receiving multimedia contents streamed to them (known as "streaming-type mobile TV"), point-to-multipoint broadcasting technologies for mobile reception (known as "broadcast-type mobile TV") are developing rapidly in overseas market. Technical trials on such technologies have also been conducted by some local operators. The broadcast-type mobile TV is more spectrum efficient when broadcasting audio-visual content to mobile devices, but involves allocation of additional frequency spectrum.

3. To facilitate the launch of mobile TV services in Hong Kong, the Administration conducted the first round of consultation in early 2007 to seek views from the public and the industry on the introduction and regulation of commercial mobile TV services in Hong Kong, with focus on four major regulatory aspects, namely, spectrum availability, spectrum allocation, spectrum assignment, and licensing arrangements. As the majority of the respondents in the first round of consultation supported an early introduction of mobile TV services in Hong Kong and a number of broadcasting and telecommunications operators had expressed interest in rolling out mobile TV services, the Administration prepared a draft implementation framework for broadcast-type mobile TV services for a second consultation in early 2008.

4. According to the Administration, the majority of the respondents to the second round of consultation accepted the proposed implementation framework. Broadcasting and telecommunications operators also indicated interest in introducing local broadcast-type mobile TV services and some of them had already tested a number of mobile TV technologies as facilitated by the former Office of the Telecommunications Authority (replaced by the Office of the Communications Authority ("OFCA") on 1 April 2012). The Administration subsequently announced the implementation framework in February 2010. The spectrum auction of mobile TV services was also conducted in June 2010. The relevant radio spectrum was acquired by China Mobile Hong Kong Corporation Limited ("CMHKC") which was then issued with a Unified Carrier Licence ("UCL") for the provision of broadcast-type mobile TV services.

Previous discussions

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5. At the meeting of the Panel on Information Technology and Broadcasting ("the Panel") on 12 January 2009, the Administration briefed members on the proposed implementation framework for development of mobile TV services, the proposed auction arrangements, the related legislative amendments for the auction of the relevant radio spectrum and the multiplexes in Band III (174 – 230 MHz) and the ultra-high frequency ("UHF") Band (470 – 806 MHz) as well as the levying of the spectrum utilization fee through auction. Details of the briefing are set out in the Administration's paper (CTB(CR)9/19/14(08) Pt.4).

6. According to the Administration, the proposed implementation framework provided that the content of mobile TV, either local broadcast-type or streaming-type, should be subject to regulation by general laws but not the Broadcasting Ordinance ("BO") (Cap. 562). To enable self-regulation, the industry would be required to develop codes of practice on provision of mobile TV services before service commencement. The codes should include, among others, the requirement of conditional access with a view to protecting public morals and children.

7. The Panel in general supported the proposed implementation framework for the introduction of mobile TV services in Hong Kong and the auction of the relevant spectrum to enable the provision of a wider variety of multimedia services to the viewing public. Some Panel members considered the proposed light-handed regulatory approach for mobile TV services a move in the right direction, as this would allow programme diversity and facilitate a wide variety of programme choices to the public. Some other members were concerned that small organizations and new entrants would not have the financial means to meet the high licence fee. These members opined that the assignment of frequency spectrum through auction would be advantageous to large financial conglomerates and create barrier for financially less viable groups to enter the market.

Subcommittee on subsidiary legislation to enable the release of spectrum for mobile TV services and related service

8. To enable the release of relevant radio spectrum and multiplexes in Band III and the UHF Band by auction, three pieces of subsidiary legislation under the Telecommunications Ordinance (Cap. 106) were gazetted on 6 February 2009 and tabled for negative vetting at the Council meeting on 11 February 2009. A subcommittee was formed under the House Committee to scrutinize the subsidiary legislation. The relevant Regulations came into operation on 3 April 2009.

9. During the subcommittee's deliberation, some members suggested that consideration should be given to including criteria such as programme content and quality as a licence obligation/condition to help ensure the programme standard. The Administration advised that mobile TV service was a nascent and relatively personal service. The regulation of mobile TV programming and programme content would be subject to general laws, such as the Control of Obscene and Indecent Articles Ordinance (Cap. 390) and the Personal Data Privacy Ordinance (Cap. 486), and self-regulatory codes of practice promulgated by the industry. As such, a light-handed regulatory

approach was proposed to allow mobile TV operators to provide a wider variety of programmes targeting the mobile TV market.

10. The Subcommittee noted that combined hand-held devices supporting both UHF Band and Band III might be available in future having regard to market development and the emergence of new technology. Under the market-led and technology-neutral approach, the market would have the choice to select the technical standards for broadcast-type mobile TV services. Quoting the experience in overseas market, the Subcommittee was of the view that the Administration should provide guidance on the choice of technical standards to safeguard public interest, cost effectiveness and proper utilization of spectrum.

Recent development

11. On 20 December 2013, Hong Kong Television Network Limited ("HKTVN") completed the acquisition of 100% of the equity interest of CMHKC. HKTVN made a public announcement on the same day concerning its plan to launch mobile TV services.

Issues raised at Panel meeting on 10 March 2014

12. At the Panel meeting on 10 March 2014 to discuss renewal of domestic free TV programme service licence, a member said that as far as he was aware, the BO required the provider of any television programme service which was intended or available for reception by an audience of more than 5 000 specified premises to obtain a free TV licence. He enquired whether the proposal of Hong Kong Mobile Television Network Limited ("HKMTV")¹ to switch to a new transmission standard covering over 5 000 specified premises² would render it unable to provide the proposed mobile TV services commencing in July 2014.

13. The Administration and the CA advised that HKMTV held a UCL issued under the TO, authorizing it to provide mobile TV services. Paragraph 1.1 of Schedule 1 to HKMTV's UCL specified that broadcast-type mobile TV services meant the services of conveying television programmes

¹ CMHKC was acquired by HKTVN on 20 December 2013 and renamed as HKMTV on 10 January 2014.

² Under section 2 of the BO, "specified premises" means any domestic premises, or hotel room, in Hong Kong.

operating at the frequencies specified in Schedule 3 with the use of digital broadcasting technologies for reception at moving locations in Hong Kong. Paragraph 2 of the same schedule further provided that nothing in the licence authorized the licensee to provide any fixed services using the frequencies specified in Schedule 3, and nothing in the licence authorized the licensee to provide any service subject to licensing under any other ordinance.

14. The Administration and the CA further advised that HKMTV had proposed to change the transmission standard from the previous China Mobile Multimedia Broadcasting standard to Digital Terrestrial Multimedia Broadcasting ("DTMB") (i.e. the same standard adopted by the incumbent free TV licensees for the provision of DTT services in Hong Kong). In view of the proposed change in transmission standard to DTMB by HKMTV, the Administration had advised HKMTV that the consequence of the change would render HKMTV's mobile TV services available for reception by an audience of more than 5 000 specified premises in Hong Kong, thereby triggering the licensing requirement under the BO in relation to a free TV licence and/or domestic pay television programme service ("PTV") licence.

15. As HKMTV currently was not a holder of a free TV or PTV licence, the Administration had advised HKMTV that if HKMTV wished to adopt the DTMB standard but was unable to ensure that its television service was not available for reception by an audience of more than 5,000 specified premises, it must take steps to obtain the necessary licence under the BO. The Administration stressed that any company holding a UCL did not automatically displace further licensing requirements under the BO if the services the company intended to provide triggered the licensing requirement thereunder. The matter was being handled between OFCA and the HKMTV via their solicitors.

Proposed urgent oral question

16. At its meeting on 14 March 2014, Hon Claudia MO sought the agreement of the House Committee for her to ask an urgent oral question at the Council meeting of 19 March 2014 under Rule 24(4) of the Rules of Procedure relating to the provision of mobile TV services by HKMTV. The proposal was not supported by the House Committee. Hon Claudia MO subsequently submitted an urgent question on the same issue under Rule 24(4) of the Rules of Procedure on 16 March 2014, which was rejected by the President on 17 March 2014.

Latest position

17. In view of the public concern about the issues raised by HKTVN in its recent press briefings regarding the provision of broadcast-type mobile TV services by HKMTV, the Panel will hold a special meeting on 27 March 2014 to follow up the matter.

Relevant papers

18. A list of the relevant papers with their hyperlinks is at:
http://www.legco.gov.hk/database/english/data_itb/itb-fixed-and-mobile.htm

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