

立法會
Legislative Council

LC Paper No. CB(4)565/14-15
(These minutes have been seen
by the Administration)

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Panel on Information Technology and Broadcasting

Minutes of meeting
held on Monday, 12 January 2015, at 2:30 pm
in Conference Room 3 of the Legislative Council Complex

- Members present** : Dr Hon Elizabeth QUAT, JP (Chairman)
Ir Dr Hon LO Wai-kwok, BBS, MH, JP (Deputy Chairman)
Hon Emily LAU Wai-hing, JP
Hon TAM Yiu-chung, GBS, JP
Hon Ronny TONG Ka-wah, SC
Hon Cyd HO Sau-lan, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon LEUNG Kwok-hung
Hon WONG Yuk-man
Hon Claudia MO
Hon NG Leung-sing, SBS, JP
Hon YIU Si-wing
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon CHAN Chi-chuen
Hon Christopher CHEUNG Wah-fung, SBS, JP
Hon SIN Chung-kai, SBS, JP
Dr Hon CHIANG Lai-wan, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
- Members absent** : Hon WONG Ting-kwong, SBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Steven HO Chun-yin
- Member attending** : Hon Michael TIEN Puk-sun, BBS, JP

**Public officers
attending**

: Agenda item IV

Commerce and Economic Development Bureau

Mr Gregory SO, GBS, JP
Secretary for Commerce and Economic
Development

Miss Susie HO, JP
Permanent Secretary for Commerce and
Economic Development (Communications and
Technology)

Mr Joe WONG, JP
Deputy Secretary for Commerce and
Economic Development (Communications and
Technology)

Mr Ivanhoe CHANG
Principal Assistant Secretary for
Commerce and Economic Development
(Communications and Technology)B

Office of the Communications Authority

Mr CHENG Chi-keung
Chief Telecommunications Engineer
(Development)

Agenda item V

Commerce and Economic Development Bureau

Miss Susie HO, JP
Permanent Secretary for Commerce and
Economic Development (Communications and
Technology)

Mr Joe WONG, JP
Deputy Secretary for Commerce and Economic
Development (Communications and Technology)

Mr Edward TO
Principal Assistant Secretary for Commerce and
Economic Development (Communications and
Technology)A

Office of the Communications Authority

Mr Danny LAU
Deputy Director-General (Telecommunications)

Clerk in attendance : Ms YUE Tin-po
Chief Council Secretary (4)3

Staff in attendance : Mr Joey LO
Senior Council Secretary (4)3

Ms Anki NG
Council Secretary (4)3

Miss Mandy LAM
Legislative Assistant (4)3

Action

- I. Confirmation of minutes of meeting**
(LC Paper No. CB(4)290/14-15) -- Minutes of meeting held on
10 November 2014)

The minutes of the meeting held on 10 November 2014 were confirmed.

- II. Information papers issued since the last meeting**
(LC Paper No. CB(4)316/14-15(01) -- Letter from Hon
Christopher CHUNG Shu-
kun dated 31 December
2014 on issues relating to
the operation of Asia
Television Limited
(Chinese version only)

- LC Paper No. CB(4)316/14-15(02) -- Letter from Hon WONG Yuk-man dated 2 January 2015 on issues relating to the operation of Asia Television Limited (Chinese version only)
- LC Paper No. CB(4)328/14-15(01) -- Letter from Hon Claudia MO dated 2 January 2015 on issues relating to the operation of Asia Television Limited (Chinese version only)
- LC Paper No. CB(4)328/14-15(02) -- Submission from Hong Kong & Kowloon Trades Union Council dated 6 January 2015 on issues relating to the operation of Asia Television Limited (Chinese version only)

2. Members noted that the above papers had been issued for the Panel's information.

III. Date of next meeting and items for discussion

(LC Paper No. CB(4)324/14-15(01) -- List of outstanding items for discussion

LC Paper No. CB(4)324/14-15(02) -- List of follow-up actions)

Policy briefing on 19 January 2015

3. The Chairman reminded members that a meeting would be held on 19 January 2015 at 8:30 am to receive a briefing by the Secretary for Commerce and Economic Development ("SCED") on relevant policy initiatives featuring in the Chief Executive's 2015 Policy Address.

Issues relating to the operation and latest developments of Asia Television Limited

4. Members expressed concern about the recent default in wage payments by Asia Television Limited ("ATV") and the recent operation of ATV. Members suggested and the Chairman agreed that the Administration and the Communications Authority should brief the Panel on the latest development of the matter, and that the representatives of ATV should be invited to join the discussion.

(Post-meeting note: With the concurrence of the Chairman, the item would be discussed at the next regular meeting to be held on 9 February 2015.)

IV. Review on regulation of person-to-person telemarketing calls

(LC Paper No. CB(4)324/14-15(03) -- Administration's paper on review on regulation of person-to-person telemarketing calls

LC Paper No. CB(4)324/14-15(04) -- Paper on review on regulation of person-to-person telemarketing calls prepared by the Legislative Council Secretariat (Background brief))

Briefing by the Administration

5. At the invitation of the Chairman, SCED briefed members on the Administration's review on the regulation of person-to-person telemarketing Calls ("P2P calls") and the way forward. Details of the briefing were set out in the Administration's paper (LC Paper No. CB(4)324/14-15(03)).

Discussion

Regulation of P2P calls

6. Mr Charles Peter MOK opined that it was necessary to tighten the regulation of P2P calls. He welcomed the Administration's effort to undertake a comprehensive landscaping exercise regarding P2P calls.

7. Sharing a similar view, Mr WONG Yuk-man and Mr Michael TIEN considered that the issue of regulation of P2P calls was long overdue. They

opined that the Administration had all along adopted an approach of procrastination which had caused Hong Kong's regulatory regime to lag behind international practices. They also opined that in the absence of legally binding legislative provisions governing P2P calls, the self-regulatory regime was ineffective and susceptible to abuse.

8. SCED advised that the issue of P2P calls should be handled with care as it was complicated and involved, inter alia, issues relating to the use of personal data, possible nuisance caused by such calls, limiting both legitimate marketing activities and free flow of information. Moreover, it would be difficult for the Administration to define what constituted a telemarketing call as such calls were sometimes presented in the form of an opinion survey. He added that P2P calls from outside Hong Kong also posed difficulties of tracing and taking regulatory actions by the authorities concerned. Meanwhile, receivers of such calls could indicate to the callers their unwillingness to receive such calls in future, or make use of mobile applications to block such calls.

9. Noting that the figure of 20 000 employees engaged in making P2P calls were recorded in surveys conducted by the Administration in 2008 and 2009, Dr CHIANG Lai-wan and Mr Christopher CHEUNG enquired about the latest figure on the number of employees who were engaged in making P2P calls.

10. SCED advised that the Administration had commissioned a consultant to conduct a survey with a view to soliciting the views of the public, the business sector and the industry on the regulation of P2P calls, as well as the employment and business situations of the industry, including the latest figure on the number of employees who were engaged in making P2P calls. Taking this opportunity, the Administration would also obtain an update on the regulatory measures taken by other jurisdictions on P2P calls. Having obtained a clearer picture on the latest situation of P2P calls, the Administration would then be in a better position to formulate appropriate measures to address the issue.

11. Mr MA Fung-kwok considered that the existing self-regulatory arrangement adopted by the four sectors which were found to have made most of the P2P calls, namely finance, insurance, telecommunications and call centres, was futile. Despite the Administration's statistics showing a decrease in number of enquiries and complaints related to P2P calls, his personal experience had indicated otherwise. He added that many of such calls were not made from Hong Kong, making it even harder to identify the caller. Noting the growing preponderance of P2P calls, with more people responding negatively to the calls and fewer people reporting any gains from the calls, Mr MA also opined that P2P calls were ineffective in achieving

sales and caused inconvenience to members of the public. As such, there was a genuine need to enhance the existing regulatory regime of P2P calls.

12. Mr TAM Yiu-chung, Mr Ronny TONG, Ms Claudia MO, Mr LEUNG Kwok-hung and Mr CHAN Chi-chuen shared the view that P2P calls were a nuisance and should be subject to tougher regulation, such as establishing a do-not-call ("DNC") register for P2P calls. Mr YIU Si-wing cautioned that a balance should be struck between the need to minimize the nuisance caused by P2P calls and the economic benefits brought by P2P calls through the creation of business and employment opportunities.

13. SCED advised that the Administration had been adopting an open-minded approach towards the suggestion of strengthening the regulation of P2P calls. Nevertheless, he cautioned that the suggestion would have an impact on the employment and livelihood of tens of thousands of persons who were engaged in conducting legitimate telemarketing activities, including people with disabilities. Moreover, most enterprises (especially small and medium enterprises) had facilitated commercial transactions through such telemarketing activities. As such, careful and thorough considerations had to be made in considering any way forward for tightening the regulation of P2P calls.

14. Mr NG Leung-sing was of the view that P2P calls were effective in achieving sales and brought benefits to consumers. The existence of P2P calls meant that there was market demand for such service. He hoped that the Administration would study the economic impact brought about by P2P calls to members of the public as well as the practices of overseas jurisdictions in handling P2P calls. In this connection, Mr WONG Yuk-man and Mr Michael TIEN considered that Hong Kong should follow other countries such as Singapore, the United Kingdom and Canada in establishing DNC registers to regulate P2P calls.

15. SCED agreed that there were economic incentives for the operation of P2P calls. He advised that findings of a survey conducted by the Office of the Communications Authority in 2008 and another survey commissioned by the Office of the Privacy Commissioner for Personal Data in March 2014 regarding P2P calls indicated that 21% and 16% of the respondents respectively had actually made commercial transactions during the calls. The results showed that there was market demand for such service.

16. SCED supplemented that while some countries such as Japan did not regulate P2P calls and leave everything to the market, some had established DNC registers. Amongst those countries which regulated P2P calls, the coverage and the nature of the enforcement agency varied from jurisdiction to jurisdiction. Given the complexity of the issues involved, the

Administration found it prudent and necessary to undertake a comprehensive landscaping exercise, in order to find out the actual situation, including the manpower situation of the industry and profile of the industry practitioners, before contemplating the way forward.

Other issues

17. Noting that many of the P2P call centres were manned by the youth or fresh graduates, Mr Christopher CHEUNG expressed concern that the hiring of young people to make P2P calls would be demoralizing as P2P calls were regarded as nuisance to the general public, and such an employment would not be conducive to the career development of the younger generation. He opined that P2P calls should be subject to more stringent regulation to enhance the status of the industry through providing better working environment and career ladder for the younger generation.

18. SCED advised that while the Administration attached great importance to the career development and upward mobility of the younger generation, it adopted an open attitude towards more stringent regulation of P2P calls on the premise that any dampening effect on the employment situation of the younger generation should be minimized.

19. Ir Dr LO Wai-kwok enquired whether the consultant's survey would look into issues relating to the implementation of the Unsolicited Electronic Messages Ordinance ("UEMO") (Cap. 593) regarding the sending of commercial electronic messages. SCED advised that the scope of the survey as prescribed in the consultancy contract covered issues relating to the regulation of P2P calls.

Way forward

20. In response to the Chairman's enquiry about the timetable of the landscaping exercise, SCED advised that the Administration aimed to report the findings of the exercise to the Panel by end of 2015 or early 2016.

V. Digital terrestrial television – analogue switch-off

(File Ref.: CTB(CR)9/1/9

-- Legislative Council Brief issued by the Commerce and Economic Development Bureau in December 2014

LC Paper No. CB(4)324/14-15(05) -- Paper on the implementation of digital terrestrial television broadcasting in Hong Kong prepared by the Legislative Council Secretariat (Updated background brief)

Briefing by the Administration

21. At the invitation of the Chairman, Permanent Secretary for Commerce and Economic Development (Communications and Technology) ("PSCED(CT)") briefed members on the adjustment of the target date for switching off analogue television services ("ASO") to 2020, and the review of the ASO working target in 2017-2018. Details of the briefing were set out in the Legislative Council Brief (File Ref.: CTB(CR)9/1/9) issued by the Administration in December 2014.

Discussion

Network coverage and penetration of digital terrestrial television services

22. Ms Claudia MO supported the deferral of the date for ASO. She enquired whether the recent default in payment of wages and operational difficulty faced by Asia Television Limited ("ATV") had any significance in the Administration's deferral of the date for ASO, and whether the deferral had any impact on the application for renewal of the domestic free television programme service ("free TV") licence by ATV.

23. PSCED(CT) advised that the current digital terrestrial television ("DTT") network coverage was about 99% of the local population. The new ASO date would provide more time for the improvement of coverage in remote areas. Furthermore, the current penetration rate of DTT services was around 80% and with such penetration rate, around 480,000 households would not be able to receive DTT services if ASO were implemented. The adjustment of the date for ASO was separate from the operational difficulty of ATV and the consideration by the Chief Executive ("CE") in Council for the application for renewal of the free TV licence by ATV.

24. Mr CHAN Chi-chuen enquired whether Radio Television Hong Kong ("RTHK") could provide analogue TV service if the application for renewal of the free TV licence by ATV was rejected by the CE in Council. PSCED(CT) advised that RTHK would require equipment and supporting facilities to provide analogue TV service. RTHK currently only had limited

daily TV broadcast hours when compared to the analogue TV service requirement. Considerable efforts would need to be made for RTHK to provide such service.

25. Mr Charles Peter MOK and Ir Dr LO Wai-kwok expressed concern about the measures taken by the Administration, including incentives such as subsidizing the families in need, to assist the low-income families to switch to DTT services. PSCED(CT) advised that according to experience, broadcasting mega sports events such as the Olympic Games and football programmes would attract people to switch to use digital TV sets. Many analogue TV sets currently in use might reach the end of their useful lives in the coming few years and this might also assist in speeding up the switching process.

26. PSCED(CT) further advised that in 2012, the average retail price of a basic DTT set-top box ranged between \$600-\$700, and had currently decreased to about \$400-\$500. According to the observation of the Administration, the retail price of a 22-inch digital TV set had fallen to around \$1,600 to \$1,900. Subsidy schemes were available for families and individuals in need of assistance in certain overseas jurisdictions. The Administration would make reference to these measures when conducting the review of ASO working target in 2017-2018. Ir Dr LO Wai-kwok urged the Administration to coordinate with the local District Offices and District Councils to cater for the needs of and provide support to the families and elderly people in need of assistance to replace their analogue TV sets or to install set-top boxes.

27. Mr CHAN Chi-chuen enquired whether the Administration would consider providing technological support to the families and elderly people in need of assistance to switch to DTT services. PSCED(CT) quoted the reception of RTHK DTT programmes as an example, saying that technical advice and assistance on-site in certain areas had been provided for elderly people who requested for technological support. The Administration would make reference to such schemes if necessary.

28. Mr YIU Si-wing enquired whether the Administration had any information on the number of elderly people currently using analogue TV sets and were unable to switch to DTT services due to the lack of provision of technological assistance. PSCED(CT) advised that the Administration could, when conducting future public surveys, analyze the profiles of the people who had yet to switch to DTT services. Mr YIU urged the Administration to provide assistance to the elderly people before conducting the ASO.

29. In response to Mr MA Fung-kwok's enquiry about the percentage of households capable to receive DTT services, PSCED(CT) advised that the penetration rate of such services had increased gradually. The penetration rate was about 32% in 2008, which increased to about 68% in end 2011, and further increased to slightly above 80% in end 2014.

Frequency coordination with Mainland authorities

30. Mr Charles Peter MOK noted that ASO could vacate spectrum to relieve the ever-increasing demand for spectrum for high value-added mobile telecommunications services, such as mobile broadband services (the so-called "digital dividend"). In view of the ASO timeframe of the Mainland authorities in 2020, he enquired about the efforts made by the Administration in coordinating with the Mainland authorities to expedite the yielding of usable digital dividend, such as conducting a district-based ASO.

31. PSCED(CT) advised that coordination efforts were required to ensure that both Hong Kong and the Mainland could achieve the most optimized utilization of spectrum, and that Hong Kong could yield the maximum economic benefits from realizing digital dividend. As the earliest ASO timeframe for Guangdong Province would be the end of 2020, Hong Kong would only be able to yield usable digital dividend through ASO by then. Since ASO would affect the spectrum used in the whole territory of Hong Kong, a district-based ASO would not assist in speeding up the yielding of digital dividend.

32. Mr MA Fung-kwok enquired about the reasons for the Mainland authorities to conduct ASO in 2020 and measures to be taken to liaise with the Mainland authorities on implementing policies to speed up the ASO. PSCED(CT) advised that the Mainland authorities would have similar considerations as in Hong Kong such as DTT penetration rate and coverage of DTT services. The Administration would continue to coordinate with the Mainland authorities in the coming years.

33. Considering that there could be a change in policy by the Mainland authorities to reduce the ASO timeframe, members including Mr MA Fung-kwok, Mr CHAN Chi-chuen, Mr Charles Peter MOK and Mr LEUNG Kwok-hung urged the Administration to speed up the DTT switching process in Hong Kong and to coordinate with the Mainland authorities with a view to bringing forward the target date for ASO. PSCED(CT) advised that the Administration had regular meetings with the Mainland authorities on their target date for ASO and considered that bringing forward the date for ASO unilaterally would cause disturbance to existing viewers and would not yield any usable digital dividend.

34. Noting that the main reasons for ASO were to enhance spectrum efficiency and maximize the digital dividend, Mr TAM Yiu-chung enquired about the measures taken by the Administration to meet the increasing local demand for high value-added mobile telecommunications services. PSCED(CT) advised that the analogue TV and DTT services of Hong Kong were currently transmitted by using frequency spectrum at the Ultra High Frequency ("UHF") band in the range of 470-806 MHz, the spectrum band allocated by the International Telecommunication Union ("ITU") for TV broadcasting worldwide. The ITU had already recommended that part of the spectrum in the UHF 470-806 MHz band (namely, UHF 698-806 MHz) was suitable for mobile telecommunications services, and some overseas countries had started to use spectrum close to UHF 698 MHz for mobile telecommunications services. The ITU might make further recommendations in 2015 for the use of UHF 470-698 MHz band. Deferring the date for ASO would therefore provide flexibility to the Administration in the re-arrangement of spectrum after the ASO.

VI. Any other business

35. There being no other business, the meeting ended at 4:30 pm.