

**For discussion on
16 February 2016**

**Legislative Council
Panel on Information Technology and Broadcasting**

**Issues relating to the operational and handover arrangements
in respect of Asia Television Limited
on expiry of its domestic free television programme service licence**

Purpose

The existing domestic free television programme service (free TV) licence of Asia Television Limited (ATV) granted under the Broadcasting Ordinance (Cap.562) (BO) will expire on 1 April 2016. This paper briefs Members on the latest position in respect of the issues relating to the operational and handover arrangements of ATV on expiry of its free TV licence.

Background

2. ATV holds a licence to provide domestic free television programme service granted by the Chief Executive (CE) in Council under section 8 of the BO. On 1 April 2015, the CE in Council decided not to renew the free TV licence of ATV (the non-renewal decision). To comply with the requirement under the BO as to the length of notice for non-renewal of licence, the CE in Council decided to extend the term of ATV's existing licence to 1 April 2016. This is the first time in Hong Kong's broadcasting history that an incumbent's broadcasting licence is not renewed. Consequent to the non-renewal decision, a number of handover issues, including the stop-gap analogue TV service to be provided by the Radio Television Hong Kong (RTHK), the assignment of the TV spectrum to be vacated by ATV and the handing over to RTHK of Government land or Government-owned premises hitherto leased to ATV for setting up transmission stations, had to be tackled. The expiry of ATV's free TV licence might also engender labour issues. In this

connection, the Government has established a task force (Task Force), led by the Commerce and Economic Development Bureau and comprising representatives from relevant Government departments, to handle the issues arising from the non-renewal of ATV's free TV licence.

Latest Position

Stop-gap Analogue TV Service

3. Notwithstanding the commencement of the operation of the free TV service of the HK Television Entertainment Company Limited (HKTVE) upon the expiry of ATV's free TV licence on 2 April 2016, the viewing public would have fewer free TV programme choices, especially in the case of the nearly 400 000 households that are not yet equipped with integrated digital television sets or digital terrestrial television (DTT) set-top boxes. By then, these households could only access the remaining two analogue free TV programme channels of another spectrum-based free TV station (i.e. Television Broadcasts Limited (TVB)). To mitigate the impact arising from a reduction of analogue free TV programme choices, RTHK is preparing to broadcast the programmes of its DTT programme channels on the two analogue free TV programme channels to be vacated by ATV after 1 April 2016.

4. To provide the stop-gap analogue TV service, RTHK will procure the television transmission services of a third party service provider to broadcast RTHK's programmes on the two relevant analogue programme channels. The relevant service tender was closed on 22 January 2016. RTHK is processing the tender in accordance with the Government's established practice, with a view to awarding the tender as soon as possible.

5. RTHK will endeavour to roll out the stop-gap analogue TV service soonest with a view to minimising the service gap, if any.

TV Spectrum Assignment to be Withdrawn from ATV

6. In April 2015, the Communications Authority (CA) exercised its power under the Telecommunications Ordinance (Cap. 106) and gave notice to ATV on the withdrawal of the frequencies assigned to ATV following expiry of its free TV licence as from 2 April 2016.

7. The Government granted in April 2015 a free TV licence to HKTVE to provide free TV service in Hong Kong by using a fixed network as its transmission means as per the proposal in its licence application. HKTVE is required to launch its licensed free TV service by using a fixed network by 31 March 2016. Following the grant of its licence, HKTVE applied to the CA to use spectrum, on top of a fixed network, as an additional means to transmit its licensed free TV service.

8. In January 2016, upon HKTVE's agreement to comply with all the additional conditions the CA imposed, the CA approved HKTVE's application for using spectrum, on top of a fixed network, as an additional means of transmission for the delivery of its licensed free TV service. The CA decided to assign to HKTVE half of the transmission capacity of a Multiple Frequency Network (MFN) multiplex to be withdrawn from ATV with effect from 2 April 2016 for the provision of its licensed free TV service until the end of the term of HKTVE's free TV licence on 31 March 2027. The assignee of the other half of the transmission capacity of the MFN is TVB. Since with effect from 2 April 2016, HKTVE and TVB would be sharing the use of the MFN multiplex, the Office of the Communications Authority has maintained contact with the two free TV licensees, encouraging them to expedite their discussions on the interconnection and facility sharing arrangements with a view to ensuring timely preparation for their shared use of the MFN multiplex to deliver their respective licensed free TV service immediately after the withdrawal of the concerned spectrum from ATV.

Transmission Stations on Government Land or Premises

9. Currently, the transmission networks for free TV broadcasting services in Hong Kong are constructed and managed by two free TV licensees (i.e. ATV and TVB). The present analogue television and DTT transmission networks consist of six main analogue and DTT transmission stations as well as over 30 analogue and DTT fill-in transmission stations, some of which are operated and managed by ATV and situated on Government land or Government-owned premises leased to ATV by relevant Government departments (e.g. the Lands Department and the Government Property Agency). To ensure that RTHK could have access to the relevant sites to prepare for its stop-gap analogue TV service, through the coordination of the Task Force, the relevant Government departments are progressively terminating the leases

concerned.

10. The target is to ensure the orderly handover of the sites concerned and to ensure that free TV service licensees could have access to and use of the sites so as to comply with their obligations under the relevant licences. After termination of the leases concerned, the sites will be allocated to RTHK which is responsible for assigning access and usage rights of the building structures erected thereon to commercial free TV service licensees as appropriate.

Conclusion

11. As the expiry of ATV's free TV licence draws near, the Task Force is working on the handover issues highlighted above in earnest to strive for a smooth transition. The Labour Department will also keep a close watch over the labour issues involved, and will provide appropriate assistance to the affected employees. At the same time, as the regulator, the CA will continue to monitor ATV's compliance with the statutory and licence requirements in the run up to the expiry of ATV's free TV licence.

12. Members are invited to note the content of the paper.

Commerce and Economic Development Bureau
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