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#### COMMUNICATIONS AND CREATIVE INDUSTRIES BRANCH COMMERCE AND ECONOMIC

21/F, West Wing Central Government Offices 2 Tim Mei Avenue Tamar, Hong Kong

DEVELOPMENT BUREAU

By Email

16 March 2020

Mr Daniel Sin Clerk, Panel on Information Technology and Broadcasting Legislative Council Complex 1 Legislative Council Road Central, Hong Kong

Dear Mr Sin,

### Legislative Council Panel on Information Technology and Broadcasting

The Communications Authority (CA)'s decision to lift the requirements on the broadcast of programmes of Radio Television Hong Kong (RTHK) by domestic free television programme service (free TV) licensees

I refer to the emails from the Secretariat dated 5 and With regard to the requests from the Hon KWONG 9 March 2020. Chun-yu and the Hon Alvin YEUNG for discussing the captioned matter at the Panel, our reply is as follows -

Pursuant to the relevant licence condition in the free TV licences, the CA may direct a licensee to broadcast television programmes and other material in the public interest provided by the Government. 9 January 2020, the CA received a request from Television Broadcasts Limited for ceasing the requirements on the broadcast of RTHK programmes. The CA announced its decision on 4 March 2020, with the details and relevant considerations set out at its press release (Annex 1).

With regard to the concerns raised by the Hon KWONG Chun-yu and the Hon Alvin YEUNG, our response is at Annex 2.

Yours sincerely,

(Keith Giang)

for Secretary for Commerce and Economic Development

Encls.

c.c. Director-General of Communications (Attn: Miss Gloria Lo)

## Requirements for free TV licensees to broadcast RTHK programmes lifted

The Communications Authority (CA) announced today (March 4) the revocation of directions issued to domestic free television programme service (free TV) licensees on the requirements to broadcast programmes of Radio Television Hong Kong (RTHK).

Pursuant to the relevant licence condition in the free TV licences, the CA may direct a licensee to include in its service such television programmes and other material in the public interest provided by the Government. At present, Television Broadcasts Limited (TVB) and HK Television Entertainment Company Limited (HKTVE) are required to broadcast 3.5 hours and 2.5 hours of RTHK programmes per week respectively on their integrated Chinese channels according to the directions issued by the CA.

On January 9, 2020, the CA received a request from TVB for lifting the requirements on the broadcasting of RTHK programmes. In the course of processing the request, the CA has consulted the relevant policy bureau, i.e. the Commerce and Economic Development Bureau (CEDB).

The requirements for free TV licensees to broadcast RTHK programmes were first introduced in 1990 when RTHK did not operate its own TV channels. Subsequently, RTHK started operating three digital terrestrial television channels (Channel Nos. 31 to 33) in 2014 and with the gradual increase in the number of transmitting stations, their population coverage reached 99 per cent last year, which was on a par with that of commercial TV broadcasters which also provide free TV service via airwaves. Furthermore, some of RTHK's TV channels are currently accessible through its website and mobile application. Some regular RTHK programmes are also being rerun on RTHK's channels after their first run on free TV channels.

After considering the free TV licensee's request and the views of the CEDB, the CA concurs that there is no justifiable case to continue to require commercial broadcasters to broadcast RTHK programmes. Furthermore, lifting the requirements enables free TV licensees to put the

spectrum and airtime released to more efficient use. The timeslots vacated could be used to broadcast other programmes, thereby providing more diversified TV programme choices to the public. This could also allow commercial broadcasters to generate more advertising/sponsorship income, thereby facilitating their business amidst the increasing challenges faced by the broadcasting industry. This decision would be consistent with the policy objective to facilitate innovation and sustainable development of the broadcasting industry. There would be no impact on the public as viewers could continue to view RTHK programmes through its own TV channels.

The CA notes that RTHK has no objection to the request. The CA has informed TVB and HKTVE of the decision to revoke the directions. The free TV licensees may decide whether and, if so, when to cease broadcasting RTHK programmes on their channels, taking into account their commercial, operational and programme scheduling considerations.

Ends/Wednesday, March 4, 2020 Issued at HKT 16:15

#### The CA's Decision

At present, the licence condition in the free TV licences provides that the CA may direct a licensee to broadcast television programmes and other material in the public interest (including announcements in the public interest) provided by the Government. In accordance with the established mechanism, the CA has consulted the relevant policy bureau, i.e. the Commerce and Economic Development Bureau (CEDB) and noted RTHK's views, and carefully considered relevant factors in making the decision.

- 2. As a matter of fact, the requirements for free TV licensees to broadcast RTHK programmes were first introduced in 1990, mainly because RTHK did not operate its own TV channels at the time. RTHK currently operates two analogue and three digital TV channels, with their population coverage reaching 99%, which is on a par with that of commercial TV broadcasters. RTHK's website and mobile application also provide live webcast and on-demand viewing of archival programmes. The public may continue to view RTHK programmes through its own free TV channels and online platforms. CEDB considers that there is no justifiable case to continue to require commercial broadcasters to broadcast RTHK programmes.
- 3. CEDB believes that the arrangement is in line with the policy objectives of providing diversified programme choices to the public, facilitating business, encouraging innovation and fostering sustainable development of the broadcasting industry. It will not affect the ability of RTHK to continue performing its public purposes and mission as a public service broadcaster. RTHK has no objection to the arrangement.

# Assignment of Spectrum to Free TV Licensees and Spectrum Utilisation Fee (SUF)

4. As free TV licensees are required to fulfil unique social functions, spectrum has been assigned administratively without SUF. In general, free TV licensees are required to provide free news, entertainment, education and information for the general public; provide programmes catering for different types and age groups of audience, English channels and subtitles, and broadcast announcements in the public interests provided by the Government and publicity materials of the CA; and widely disseminate messages of public importance to the masses free of charge in case of emergency. In particular, free TV broadcasters are required to

provide a total of over 100 hours of positive programmes per week, including news, current affairs programmes, documentaries, arts and culture programmes, and programmes for children, senior citizens and young persons, and operate an integrated English channel.

- 5. Free TV licensees are required to fulfil unique social functions serving the community, which involve substantial public interests and are not limited to the requirements on broadcasting certain specific programmes as directed by the CA. The requirement to broadcasting RTHK programmes was introduced at a time when RTHK did not operate its own TV channels and only represented a small portion of the requirements imposed on free TV licensees. Even though free TV licensees are no longer required to broadcast RTHK programmes, they are still required to fulfil other obligations, in line with the policy consideration for the assignment of spectrum to free TV licensees without charging any SUF.
- 6. Furthermore, free TV licensees are required to pay licence fees (including fees for spectrum management), which are calculated on a cost recovery basis to reflect the costs of the Office of the Communications Authority in regulating the licensees and managing the radio frequencies assigned to them.