

Brief Presentation to the Legislative Council Bills Committee

On the Broadcasting Bill

At 10:45 am on Friday, March 31, 2000

Madam Chairman,

1. We are pleased to be invited to share with Members of the Committee our views on the proposed Broadcasting Bill.
2. In general, Galaxy Satellite Broadcasting Ltd. is in full support of the government's broadcasting policy objectives and the content of the proposed Broadcasting Bill.

We believe that the proposed Broadcasting Bill can achieve the policy objectives to :

- (i) widen the public's choice of programming;
- (ii) encourage investment, technological innovation and technology transfer in the broadcasting industry;
- (iii) ensure fair competition;
- (iv) ensure a high standard of broadcasting services; and

(v) promote Hong Kong as a regional broadcasting and communication hub.

3. Regarding some specific aspects of the new Bill, Galaxy Satellite Broadcasting Ltd would like to offer the following observations:

(i) Other licensable service license (Section 1 of Schedule 7 to the Bill)

Dividing the broadcasting services into 4 categories is a welcome approach which provides clear definitions and specifies different licensing conditions for the different broadcasting services. However, we believe that the limit of 200,000 premises allowed to the category of “Other Licensable Services” is considerably too high. To put the number of 200,000 households in perspective, this equates to fully 10% of existing TV households and 45% of pay TV households. Accordingly, we recommend that the Government and the Committee consider lowering the limit of premises that can be served by the combined services.

(ii) Services excluded

The proposed Broadcasting Bill proposes that free-to-air satellite television services uplinked from places outside but receivable in Hong Kong will be allowed to be distributed by satellite master antenna television (SMATV) systems without a license. We are

concerned that these unlicensed broadcasting services may not measure up to public standards and expectations and may offend the tastes and sense of decency of the community. We are also concerned that these services would be under no obligation to comply with the Government's codes of practice for advertising and programming.

(iii) Regulation of broadcasting services (Clause 6 & 7)

We welcome the provision of the Bill that would make it an offence to import, manufacture, sell, offer for sale or let for hire an unauthorized decoding device for viewing encrypted television programmes without payment of a subscription fee where such a fee is required to be paid. We are pleased to know that the Bill will also cover such areas as "Television Receive Only Systems" and will specify sanctions for contravention.

(iv) Disqualified persons

We welcome the proposal that dominant FTNS licensees should require the approval of the Chief Executive in Council in order to exercise control in a Domestic Free Service Licensee which is dominant in the pay television market. We believe that this proposal can avoid abuse of dominance by a dominant FTNS licensee in both the telecommunications and broadcasting markets.

(v) Royalty and license fee

We welcome the proposed abolition of the advertising and subscription royalties scheme, to be replaced by an annual license fee calculated on a full cost recovery basis. We believe this proposal will create a level playing field for all the broadcasters in the future.

4. In conclusion, we again express our enthusiastic support for the Bill. If there are any questions from the Members regarding our views, we will be happy to try to answer them.

Thank you.