

Summary of deputations' concerns raised in submissions by subject
(as at 24 May 2000)

<u>Subject/Clause</u>	<u>Organization (Paper No.)</u>	<u>Concern</u>	<u>Administration's response</u>
<p>1. Clause 2 (Interpretation)</p> <p>Other licensable television programme service (C495) (see also Schedule 7)</p>	<p>Cable & Wireless HKT Limited and Cable & Wireless HKT VOD Limited [CB(2)1504/99-00(09)]</p>	<p>The aggregate number of households allowed to be served under categories 3 and 4 licences varied greatly to such an extent that it may circumvent the 4-tier regulating system in the Bill.</p>	<p>CB(2)1572/99-00(01)</p>
	<p>Turner International Asia Pacific Limited [CB(2)1504/99-00(07)]</p>	<ul style="list-style-type: none"> - Government to clarify that holders of other licensable television programme service licensees (category 4 licence) will be allowed to establish downlink facilities for the reception of programming; - <u>Suggests</u> category 4 licensees should be exempted from applying for a separate licence to govern their downlink facilities if licensed under the Bill. 	<p>CB(2)2094/99-00(04)</p>
	<p>Pacific Satellite International Limited</p>	<ul style="list-style-type: none"> - The number of target audience (5 000) allowed for category 4 licence (other licensable service), is too low as many housing estates accommodated over 5 000 households. In such circumstance, category 4 licensee would have to apply for a category 2 licence (Domestic Pay Service) as well. - <u>Suggests</u> allowing licensees to approach targeted owners' associations for the provision of television programme. 	<p>CB(2)1774/99-00(01)</p> <p align="center">-</p>

<p>(Clause 2 cont'd)</p> <p>Definitions</p>	<p>Galaxy Satellite Telecommunications Co Ltd [CB(2)1549/99-00(02)]</p>	<p>The limit of 200 000 premises is too high (should be lowered).</p>	<p>CB(2)1572/99-00(01)</p>
	<p>Satellite Television Asian Region Limited [CB(2)1504/99-00(08)]</p>	<p><u>Welcomes</u> the categorization of television programme services into 4 areas.</p>	<p>-</p>
	<p>Hong Kong Cable Television Limited [CB(2)1541/99-00(01)]</p>	<p><u>Suggests</u> improving the drafting of the definition of "non-domestic television programme service", "newspaper", "television programme service".</p>	<p>-</p>
	<p>Turner International Asia Pacific Limited [CB(2)1504/99-00(07)]</p>	<p>The definition of "provide" does not exclude the mere supply of content and is unclear whether a content supplier need to be licensed.</p>	<p>CB(2)2094/99-00(04)</p>
<p>2. Clauses 3 and 4 (Code of practice and guidelines)</p>	<p>Satellite Television Asian Region Limited [CB(2)1504/99-00(08)]</p>	<p><u>Welcomes</u> the issuance of code of practice by BA.</p>	<p>-</p>
	<p>Cable & Wireless HKT Limited and Cable & Wireless HKT VOD Limited [CB(2)1504/99-00(09)]</p>	<p><u>Suggests</u> requiring BA to consult the industry, rather than limited to "such bodies representative of licensees", with the new or revised code or practice.</p>	<p>CB(2)2094/99-00(04)</p>
	<p>Hong Kong Cable Television Limited [CB(2)1541/99-00(01)]</p>	<ul style="list-style-type: none"> - <u>Requests</u> the draft code of practice to be ready for consultation before the enactment of the Bill. - <u>Suggests</u> specifying licensing criteria and process in the Bill instead of setting out in the guidelines. 	<p>CB(2)1743/99-00(02) CB(2)1568/99-00(01)</p>

<i>(Clauses 3 and 4 cont'd)</i>	Hong Kong Cable Television Limited [CB(2)1650/99-00(02)] (second submission)	<u>Suggests</u> making available the draft guidelines for consultation prior to the passage of the Bill.	CB(2)1743/99-00(02)
3. <u>Clauses 6 and 7</u> (Decoders, etc.)	Satellite Television Rentals Limited [CB(2)1476/99-00(03) and (04)] Satellite Television Rentals Limited [CB(2)2072/99-00(01)] (second submission)	<u>Suggests</u> : (a) to criminalize export of unauthorized decoders; (b) to criminalize import and re-export of decoder authorized for use in places outside Hong Kong; and (c) to regulate the use of decoder which is authorized for use in places outside Hong Kong. <u>Proposes</u> to amend clause 7 to cover export of digital decoders.	CB(2)1572/99-00(01) CB(2)2094/99-00(04) Response awaited.
	Hong Kong Cable Television Limited [CB(2)1541/99-00(01)]	<u>Suggests</u> to penalize the use of BA's unauthorized decoders for personal use.	CB(2)1572/99-00(01)
	Galaxy Satellite Telecommunications Co Ltd [CB(2)1549/99-00(02)]	<u>Welcomes</u> the provision that makes it an offence to import, manufacture, sell, offer for sale or let for hire an unauthorized decoding service for viewing encrypted TV programmes without payment.	-
	Cable & Wireless HKT Limited and Cable & Wireless HKT VOD Limited [CB(2)1504/99-00(09)]	<u>Considers</u> BA ought to obtain a warrant from the court before entry any premises, both domestic and commercial for the purpose of the Bill.	CB(2)2094/99-00(04)

<p>4. Clause 9 (Recommendation of BA on licence application)</p>	<p>Cable & Wireless HKT Limited and Cable & Wireless HKT VOD Limited [CB(2)1504/99-00(09)]</p>	<p><u>Considers</u> confining the protection against disclosure only to legal professional privilege offers insufficient safeguards.</p>	<p>CB(2)2094/99-00(04)</p>
<p>5. Clause 10 (Grant of licence)</p>	<p>International Federation of the Phonographic Industry (Hong Kong Group) Limited (IFPI) [CB(2)1504/99-00(02)]</p>	<p><u>Urges</u> Government to incorporate certain copyright protection as licensing conditions for both television and radio broadcasters, for example, any security devices and right management information embedded in digitized/analogue copyright works by copyright owners must not be disabled.</p>	<p>-</p>
	<p>Turner International Asia Pacific Limited [CB(2)1504/99-00(07)]</p>	<p><u>Suggests</u> setting out the specific licensing criteria and conditions for each category of licences.</p>	<p>CB(2)1568/99-00(01)</p>
	<p>Cable & Wireless HKT Limited and Cable & Wireless HKT VOD Limited [CB(2)1504/99-00(09)]</p>	<p>Lacks of a mechanism for approving the transfer of licences and hence <u>suggests</u> including relevant procedures in the Bill.</p>	<p>CB(2)2094/99-00(04)</p>
	<p>Hong Kong Development and Strategic Research Centre [CB(2)1549/99-00(01)]</p>	<p><u>Suggests</u> the Bill to include provisions for the Bill to include provisions for licence contents to be made available for public inspection;</p>	<p>CB(2)1572/99-00(01)</p>
<p>6. Clauses 10 and 11 (Grant and extension or renewal of licence)</p>	<p>Hong Kong Journalist Association [CB(2)1476/99-00(02)]</p>	<p><u>Suggests</u> mandatory public hearings for the grant, extension, renewal, except where commercial secrets are involved or a licensee goes into compulsory liquidation.</p>	<p>CB(2)1572/99-00(01) CB(2)1783/99-00(01)</p>

<p>7. Clause 13 (Anti-competitive conduct)</p>	<p>IFPI [CB(2)1504/99-00(02)]</p> <p>IFPI [CB(2)1702/99-00(01)] (second submission)</p> <p>IFPI [CB(2)1917/99-00(02)] (third submission)</p>	<ul style="list-style-type: none"> - <u>Suggests</u> Government to consider strengthening anti-competitive activities of licensees. - <u>Suggests</u> amendments to include "co-dependent relationship with a TV programme service market" and to limit the discretionary power of the Broadcasting Authority in exempting a licensee from subsection (1), e.g. by specifying grounds for exemption in Guidelines (or Schedule of the Bill), and introducing public hearing appeals and cancellation procedures, etc. - <u>Strongly urges</u> Government to strengthen clauses 13 and 14 by preventing dominant licence holders from engaging in anti-competition in other "co-dependent markets". - <u>Proposes</u> to adopt the following criteria for applying competition regulations in a market that are "co-dependent" with the television market : <ul style="list-style-type: none"> (a) sources of income should be separated or significantly distinguishable; and (b) whether a dominant licensee has affect competition in a co-dependent market by prejudicing access to air time and programme and dictating trading conditions and pricing. <p><u>Strongly recommends</u> Government to expand clauses 13 and 14 and the "Guideines" stipulated by clause 14(3)(d) to cover "Programme suppliers".</p>	<p>CB(2)1572/99-00(01) CB(2)1743/99-00(02)</p> <p>CB(2)1743/99-00(02)</p> <p>CB(2)1743/99-00(02), CB(2)2094/99-00(04)</p> <p>Response awaited.</p>
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<p>(Clause 13 cont'd)</p>	<p>IFPI [CB(2)1504/99-00(02)]</p>	<p>- <u>Urges</u> Government to seriously reconsider the exemption in clause 13(5)(b) as a dominant licensee can abuse its dominant position by forcing talents and artists (who depend on extensive coverage and market share for promotion) to enter into exclusive contracts. It will also put a licensee's competitor in a disadvantageous position as recording artists may be forbidden from appearing in other licensees' programmes.</p>	<p>CB(2)1722/99-00(01)</p>
	<p>IFPI [CB(2)1917/99-00(02)] (third submission)</p>	<p><u>Strongly recommends</u> Government to repeal clause 13(5)(b).</p>	<p>Response awaited.</p>
	<p>Consumer Council [CB(2)1674/99-00(02)] (second submission)</p>	<p><u>Suggests</u> :</p> <p>(a) to widening the ambit of the prohibited anti-competitive conduct in the Broadcasting Bill to include conduct taking place in markets within the context of "electronically delivered entertainment and/or information services";</p> <p>(b) to prohibiting non-licensees by law from engaging in anti-competitive conduct; and</p> <p>(c) to pooling together resources in BA and the Office of Telecommunications Authority to carry out competition investigation and analysis work in area of electronically delivered entertainment/ information.</p>	<p>CB(2)1743/99-00(02)</p> <p>CB(2)1743/99-00(02)</p> <p>CB(2)1572/99-00(01) CB(2)1743/99-00(02)</p>

<p>(Clause 13 cont'd)</p>	<p>Consumer Council [CB(2)1504/99-00(04)]</p>	<ul style="list-style-type: none"> - <u>Supports</u> strengthening the ambit of competitive safeguards. - <u>Concerns</u> : <ul style="list-style-type: none"> (a) non-licensees can exercise market power over licensees (programme supplier could have a business relationship with a dominant television power to adversely affect the position of its competitors); and (b) general competition laws are required to provide a "safety net" for emerging competition issues such as the growth of Internet. 	<p style="text-align: center;">-</p> <p style="text-align: right;">CB(2)1743/99-00(02)</p>
	<p>Satellite Television Asian Region Limited [CB(2)1504/99-00(08)]</p>	<p><u>Supports</u> the inclusion of competition provisions in the Bill and <u>agrees</u> with the terms and conditions contain therein.</p>	<p style="text-align: center;">-</p>
	<p>Cable & Wireless HKT Limited and Cable & Wireless HKT VOD Limited [CB(2)1504/99-00(09)]</p>	<p>The relaxation of the application of competition safeguards under clause 13 should be removed as it could be anti-competitive behaviour under the Telecommunication Bill even the same agreement is concerned.</p>	<p style="text-align: right;">CB(2)1722/99-00(01)</p>
	<p>Elemsdale Media Limited [CB(2)1504/99-00(10)]</p>	<p><u>Welcomes</u> the proposal to introduce competition provisions.</p>	<p style="text-align: center;">-</p>
	<p>Hong Kong Cable Television Limited [CB(2)1541/99-00(01)]</p>	<ul style="list-style-type: none"> - To prevent the abuse of exclusive contracts, it considers exclusive employment contracts should not be given a blanket exclusion from anti-competitive legislation. - Acquisition of exclusive programme rights should not be generally be considered anti-competitive, otherwise viewers are deprived of choice. 	<p style="text-align: right;">CB(2)1722/99-00(01)</p> <p style="text-align: right;">CB(2)1743/99-00(02)</p>

<p><i>(Clause 13 cont'd)</i></p>	<p>Hong Kong Cable Television Limited [CB(2)1650/99-00(02)] (second submission)</p>	<p>- <u>Considers</u> holding licences for more than one type of programme service licence by an operator will give the operator an advantage over its competitors in acquiring exclusive programmes.</p>	<p>CB(2)1774/99-00(01)</p>
	<p>Hong Kong Development and Strategic Research Centre [CB(2)1549/99-00(01)]</p>	<p><u>Suggests</u> the Bill to include provisions for prohibition of monopoly/oligopoly in programme production and indirect control of artists;</p>	<p>CB(2)1722/99-00(01) CB(2)1743/99-00(02)</p>
	<p>Television Broadcasts Limited [CB(2)1549/99-00(03)]</p>	<p>- <u>Considers</u> anti-competitive regulations should not be targeted only at a single industry, in particular any single company.</p> <p>- Exclusive programme rights should be provided for licensees.</p>	<p>CB(2)1743/99-00(02)</p> <p>- ditto -</p>
	<p>Kwun Tong Resident Union [CB(2)1504/99-00(03)]</p>	<p><u>Supports</u> open market and fair competition.</p>	<p>-</p>
	<p>Hong Kong Cable Television Limited [CB(2)1541/99-00(01)]</p>	<p><u>Supports</u> the promotion of competition in broadcasting market.</p>	<p>-</p>
	<p>IFPI [CB(2)1702/99-00(01)] (second submission)</p>	<p><u>Clause 13(1)</u></p> <p>- <u>Proposes</u> replacing "substantially" with "distorting" as the notion of substantially restricting competition is ambiguous and confining. The proposed amendment is modelled on section 2(1)(b) of the UK Competition Act and Article 81(1) of the EC Treaty.</p>	<p>CB(2)2094/99-00(04)</p>

<p><i>(Clause 13 cont'd)</i></p>	<p>IFPI [CB(2)1702/99-00(01)] (second submission)</p>	<p><u>Clause 13(4)</u></p> <ul style="list-style-type: none"> - <u>Disagrees</u> with the extensive discretionary power entrusted to the BA in exempting a licensee for the purpose of clause 13(1). Amendment to clause 13(4) is therefore proposed. 	<p>CB(2)1743/99-00(02)</p>
	<p>IFPI [CB(2)1702/99-00(01)] (second submission)</p>	<p><u>Exemption in clause 13(5)(b)</u></p> <ul style="list-style-type: none"> - <u>Urges</u> Government to seriously consider deleting clause 13(5)(b) as dominant broadcasters can abuse their competitive powers by restricting artistes from appearing in other licensees' programme. 	<p>CB(2)1722/99-00(01)</p>
	<p>Cable & Wireless HKT Limited and Cable & Wireless HKT VOD Limited [CB(2)1504/99-00(09)]</p>	<ul style="list-style-type: none"> - <u>Disagrees</u> with exemptions provided under clause 13(5). - <u>Suggests</u> replacing clause 13(5) with a general exception in the Bill for intellectual property 	<p>CB(2)1722/99-00(01) CB(2)2094/99-00(04)</p>
	<p>Consumer Council [CB(2)1504/99-00(04)]</p>	<p><u>Suggests</u> Government :</p> <p>(a) to define "produced" as "wholly" or "substantially" produced in order to differentiate such programmes from those "acquired" by a licensee with only nominal production; and</p> <p>(b) to consider introducing some safeguards with regard to artistes contracts, e.g. by limiting the maximum period for a licensee to bind an artist to a contract.</p>	<p>CB(2)2094/99-00(04) CB(2)1722/99-00(01)</p>
	<p>Cable & Wireless HKT Limited and Cable & Wireless HKT VOD Limited [CB(2)1504/99-00(09)]</p>	<p><u>Clause 13(6)</u></p> <p>to delete clause 13(6).</p>	<p>CB(2)2094/99-00(04)</p>

<p>8. Clause 14 (Abuse of dominance)</p>	<p>Hong Kong Cable Television Limited [CB(2)1541/99-00(01)]</p>	<p><u>Supports</u> control of abuse of dominance in broadcasting market.</p>	<p>-</p>
	<p>Consumer Council [CB(2)1674/99-00(02)] (second submission)</p>	<p>(a) <u>Cross ownership</u></p> <ul style="list-style-type: none"> - <u>Concerns</u> that a dominant player holding different types of licences for television programme services could exercise control over air time for artistes and advertising and exercise power in programme acquisition. It is in direct conflict with Government's open sky policy. - <u>Urges</u> Government to carefully consider licence application made by an existing operator bearing in mind the impact on the conglomeration of power by one party on competition in the market. <p>(b) <u>Exercise of control</u></p> <ul style="list-style-type: none"> - The issue of corporate control is a complex issue, and it can also take the form of control over the selection or provision of programmes for broadcast by a licensee. - A dominant TV licensee can construct a corporate relationship with a non licensed programme supplier to restrict supply of programmes to competitors of the dominant licensee. - <u>Suggests</u> Government to consider including a wider range of measures to identify circumstances of "control". 	<p>CB(2)2094/99-00(04)</p> <p>CB(2)1774/99-00(01)</p> <p>CB(2)1743/99-00(02)</p>

<p>(Clause 14 cont'd)</p>	<p>IFPI [CB(2)1504/99-00(02)]</p>	<ul style="list-style-type: none"> - Government must ensure that high concentration of ownership in the existing TV market will not lead to the proprietary control of other related industries and their contents and technology. - As different media sectors are increasingly converged in the digital environment, relationships between them and the traditional free access TV sector (i.e. Domestic Free Services) involves a degree of mutual dependence which creates tension. - <u>Suggests</u> amendments to expand the scope to cover other trading conditions in a television programme service market and/or a market with co-dependent relationship with a TV programme service market. - <u>Urges</u> Government to extend consultation for the drafting of guidelines concerning the test of dominance to other sectors and independent experts on competition laws and policies. 	<p>CB(2)1743/99-00(02)</p> <p>CB(2)1743/99-00(02)</p> <p>CB(2)1743/99-00(02)</p> <p>CB(2)1743/99-00(02)</p>
	<p>Hong Kong Cable Television Limited [CB(2)1650/99-00(02)] (second submission)</p>	<ul style="list-style-type: none"> - <u>Considers</u> that television market is defined by reference to "substitutability". Free TV or pay TV is a single television market and all operators are competing with each other for the same viewers. - <u>Suggests</u> Government to maintain the "one licence per operator" policy. 	<p>CB(2)1774/99-00(01)</p>

<p>(Clause 14 cont'd)</p>	<p>Television Broadcasts Limited [CB(2)1549/99-00(03)] (second submission)</p>	<p>Response to the allegation that the granting of a domestic pay television service licence to its subsidiary would entrench its dominance in the market : -</p> <p><u>Programme acquisition</u></p> <ul style="list-style-type: none"> - Programme acquisition would be conducted by different teams of two companies as they are run by separate management. <p><u>Market dominance</u></p> <ul style="list-style-type: none"> - <u>Welcomes</u> the increased government and public scrutiny. - <u>Suggests</u> the primary focus of scrutiny should be actual behaviour in the market place, not size or market above. 	<p>-</p>
<p>9. Clause 16 (Separate accounting)</p>	<p>Hong Kong Society of Accountant [CB(2)1569/99-00(01)]</p>	<ul style="list-style-type: none"> - The drafting of clause 16(1) does not seem to have achieved its objective; suggests requiring to keep separate subsidiary segmental accounting records as well. - To specify the circumstances where clause 16(2) will be applicable. 	<p>CB(2)1743/99-00(02)</p> <p>- ditto -</p>
<p>10. Clause 17 (Service provision)</p>	<p>Consumer Council [CB(2)1504/99-00(04)]</p>	<p><u>Suggests</u> Government to consider including provisions requiring general public consultation on an exemption to be granted by the BA to the requirement for a domestic free/pay service to provide universal television service throughout Hong Kong.</p>	<p>CB(2)2094/99-00(04)</p>

11. Clause 19 (Television programmes service locking device)	Cable & Wireless HKT Limited and Cable & Wireless HKT VOD Limited [CB(2)1504/99-00(09)]	<u>Welcomes</u> the introduction of locking device.	-
	Elemsdale Media Limited [CB(2)1504/99-00(10)]	<u>Welcomes</u> the proposal to recognize locking devices for pay television programmes.	-
12. Clause 21 (Limitations on agreements by licensee)	Turner International Asia Pacific Limited [CB(2)1504/99-00(07)]	<u>Suggests</u> to incorporate principles contained in clauses 13 and 14 into clause 21.	CB(2)2094/99-00(04)
13. Clause 22 (General requirements on television programme services)	Consumer Council [CB(2)1504/99-00(04)]	<u>Suggests</u> including prohibitions (in the form of Code of Conduct) against unfair and misleading advertising, e.g. to require licensees and their servants/agents to abide by certain principles when marketing their service to the public.	Administration agrees to consider in the context of the generic code of practice.
	Cable & Wireless HKT Limited and Cable & Wireless HKT VOD Limited [CB(2)1504/99-00(09)]	<u>Welcomes</u> the relaxation of programming and advertising standards in the codes of practice for television services other than category 1 services.	-
	Elemsdale Media Limited [CB(2)1504/99-00(10)]	<u>Suggests</u> considering relaxing programme and advertising standards in codes of practice.	-
14. Clauses 23-34 (Enforcement of licences)	Asia Television Limited [CB(2)1504/99-00(01)]	<ul style="list-style-type: none"> - <u>Supports</u> regulating television programme services by ways set out in the Bill; and - The enforcement departments should regulate television programme services flexibly. 	-

15. Clause 24 (Investigation of licensee's business)	Hong Kong Journalist Association [CB(2)1476/99-00(02)]	<u>Seeks assurance</u> that journalistic material under section 24 should only be seized under the relevant provisions of the Interpretation and General Clauses Ordinance.	CB(2)2094/99-00(04)
16. Clause 25 (Enforcement of licences)	Hong Kong Cable Television Limited [CB(2)1541/99-00(01)]	<u>Suggests</u> BA's right to disclose licenses' information should be subject to the prevailing civil procedural rules.	CB(2)2094/99-00(04)
17. Clause 27 (Financial penalty)	Kwun Tong Resident Union [CB(2)1504/99-00(03)]	<u>Suggests</u> strengthening control of programme content and increasing the fine for broadcasting programmes with sex and violence contents during prime hours. However, domestic pay television programmes can be subject to less stringent control to enable provision of programmes of diversity.	CB(2)1572/99-00(01) CB(2)1824/99-00(02)
	Consumer Council [CB(2)1504/99-00(04)]	<ul style="list-style-type: none"> - <u>Suggests</u> linking the level of fine with the pecuniary benefits derived by the licensee in order to provide deterrence. - <u>Suggests</u> providing an avenue for the BA to direct compensation to be paid to aggrieved persons for an anti-competitive conduct of a company. 	CB(2)1824/99-00(02) - ditto -
18. Clause 29 (Licensee to include correction or television apology in programme service)	Consumer Council [CB(2)1504/99-00(04)]	<u>Supports</u> clause 29 which provides for orders as to correction or apology in a form approved by the BA.	-
	Hong Kong Cable Television Limited [CB(2)1541/99-00(01)]	<u>Considers</u> existing sanction options are sufficient for regulating the industry, no new sanction is required.	-

<p>19. Clauses 30 and 31 (Suspension and revocation of licence)</p>	<p>Hong Kong Journalist Association [CB(2)1476/99-00(02)]</p>	<p><u>Suggests</u> mandatory public hearings for the grant, suspension and revocation of a licence, except where commercial secrets are involved or a licensee goes into compulsory liquidation.</p>	<p>CB(2)1572/99-00(01) CB(2)1783/99-00(01)</p>
<p>20. Clause 35 (Court may prohibit certain television programmes)</p>	<p>Hong Kong Journalist Association [CB(2)1476/99-00(02)]</p>	<p><u>Suggests</u> Government to limit prior censorship of programmes under section 35 to only 2 circumstances, i.e. "incitement to violence or hatred" and "directly and seriously harm public health or morals of children below 18 years".</p>	<p>CB(2)1774/99-00(01)</p>
	<p>Hong Kong Journalist Association [CB(2)1650/99-00(01)] (second submission)</p>	<ul style="list-style-type: none"> - <u>Considers</u> the application of section 35 is confined to the court to prohibit certain television programmes. - <u>Suggests</u> to further tighten the criteria under which an order may be made under section 35(5). 	<p>CB(2)1774/99-00(01) CB(2)1774/99-00(01)</p>
<p>21. Schedule 1 <u>disqualified persons</u> (Part 2 of Schedule 1)</p>	<p>Elemsdale Media Limited [CB(2)1504/99-00(10)]</p>	<p><u>Welcomes</u> the proposals to :</p> <ul style="list-style-type: none"> (a) remove "programme suppliers" from the list of disqualified persons; and (b) relax voting control of domestic free licensees by non-residents. 	<p>-</p>
	<p>Hong Kong Cable Television Limited [CB(2)1541/99-00(01)]</p>	<ul style="list-style-type: none"> - <u>Concerns</u> that the power of dominant television broadcaster may be extended as a non-domestic TV programme service licensee is not a disqualified person for the purpose of a domestic pay TV programme service licence. - <u>Proposes</u> retaining "dominant FTNS" and "programme suppliers" in the list of disqualified persons. 	<p>CB(2)1572/99-00(01) CB(2)1572/99-00(01)</p>

<p><i>(Schedule 1 cont'd)</i></p>	<p>IFPI [CB(2)1504/99-00(02)]</p>	<p><u>Agrees</u> "programme suppliers" be removed from the list of disqualified person under Schedule 1, Part II.</p>	<p>-</p>
	<p>Cable & Wireless HKT Limited and Cable & Wireless HKT VOD Limited [CB(2)1504/99-00(09)]</p>	<p><u>Welcomes</u> :</p> <p>(a) the deletion of FTNS service licensee as a disqualified person; and</p> <p>(b) the lifting of restriction on voting control by non-residents for category 1 licensee.</p>	<p>-</p>
	<p>Galaxy Satellite Telecommunications Co Ltd [CB(2)1549/99-00(02)]</p>	<p><u>Welcomes</u> the proposal that dominant FTNS licensees should require the approval of CE in C in order to exercise control in a DFSL which is dominant in the pay television market.</p>	<p>-</p>
<p><u>Restriction on residency for vote-controller</u> (Part 3 of Schedule 1)</p>	<p>Kwun Tong Resident Union [CB(2)1504/99-00(03)]</p>	<p><u>Supports</u> the restriction on residency for directors and vote-controllers.</p>	<p>-</p>
<p><u>Voting control</u> (Part 3 of Schedule 1)</p>	<p>Cable & Wireless HKT Limited and Cable & Wireless HKT VOD Limited [CB(2)1504/99-00(09)]</p>	<p><u>Welcomes</u> :</p> <p>(a) the lifting of restriction on voting control by non-residents for category 1 licensee; and</p> <p>(b) the lifting of restriction to allow subsidiary companies to become category 1 licensee.</p>	<p>-</p>

<p>22. Schedule 3 (Services excluded)</p>	<p>IFPI [CB(2)1702/99-00(01)] (second submission)</p>	<p><u>Concerns</u> :</p> <p>(a) <u>agrees</u> that broadcasting on the Internet would not be addressed in the Bill; and</p> <p>(b) meaning of "distribution" and "broadcasting" in the context of electronic commerce on the Internet should be carefully distinguished.</p>	<p>CB(2)1572/99-00(02)</p>
	<p>Kwun Tong Resident Union [CB(2)1504/99-00(03)]</p>	<p><u>Objects</u> to the exemption of regulation of broadcasting through the Internet.</p>	<p>CB(2)1572/99-00(01)</p>
	<p>Turner International Asia Pacific Limited [CB(2)1504/99-00(07)]</p>	<p><u>Supports</u> the general provisions and <u>suggests</u> having a specific and separate exemption from licensing for SMATV operators who carry programming of licensees.</p>	<p>CB(2)2094/99-00(04)</p>
	<p>Cable & Wireless HKT Limited and Cable & Wireless HKT VOD Limited [CB(2)1504/99-00(09)]</p>	<ul style="list-style-type: none"> - Amendment to schedule 3 should not be subject to Chief Executive in Council's approval, but that the standard legislative process should be applied. - Content of any 'transactional services' should be excluded from the Bill as this is not a television or broadcasting service. 	<p>CB(2)2094/99-00(04)</p> <p>S.3 of Schedule 3 to the Bill</p>
	<p>Galaxy Satellite Telecommunications Co Ltd [CB(2)1549/99-00(02)]</p>	<p>Free-to-air satellite television services uplinked from places outside but receivable in Hong Kong should also be subject to monitoring.</p>	<p>CB(2)1572//99-00(01)</p>
	<p>Alcatel China Holding Pte Ltd</p>	<p><u>Suggests</u> that :</p> <p>(a) Internet broadcasting should also be subject to monitoring; and</p> <p>(b) programme production by FTNS should also be regulated.</p>	<p>CB(2)1572/99-00(01)</p> <p>- ditto -</p>

<i>(Schedule 3 cont'd)</i>	Asia Satellite Broadcasting Ltd	<u>Suggests</u> that free-to-air satellite services uplinked from places outside but receivable in Hong Kong should not be exempted as the contents may not meet the public standards (e.g. morals).	CB(2)1572/99-00(01)
	APT Satellite Holdings Ltd	<u>Supports</u> regulation of Internet broadcasting.	CB(2)1572/99-00(01)
23. Parts 1 & 3 of Schedule 4 (Content of programmes)	Hong Kong Arts Development Council [CB(2)1504/99-00(05)]	<ul style="list-style-type: none"> - <u>Suggests</u> formulating provisions to attract the provision of arts channel or arts-on-demand. - Licensees to produce arts and cultural programmes in prime time slot and arts news. - <u>Supports</u> requiring licensees to include television programme supplied by government in certain period in a day. 	<p>CB(2)1572/99-00(01)</p> <p style="text-align: center;">- ditto -</p> <p style="text-align: center;">-</p>
	Hong Kong Commercial Broadcasting Co Ltd [CB(2)1504/99-00(06)]	<u>Concerns</u> whether all proposed regulations which seems to apply to television licence holders would apply to sound broadcasting licence holders.	CB(2)1572/99-00(01)
24. Part 2 of Schedule 4 (Ownership control)	Satellite Television Asian Region Limited [CB(2)1504/99-00(08)]	<u>Supports</u> the relaxation on prohibiting disqualified person from exercising control in domestic licences.	-
25. Part 4 of Schedule 4 (Royalties and licence fees)	Satellite Television Asian Region Limited [CB(2)1504/99-00(08)]	<ul style="list-style-type: none"> - <u>Supports</u> the abolition of royalties. - <u>Disagrees</u> with the full cost recovery principle for calculating annual licence fee and <u>suggests</u> some of the costs be met by general revenue of the Administration. 	<p style="text-align: center;">-</p> <p>CB(2)2094/99-00(04)</p>

<i>(Schedule 4 cont'd)</i>	Metro Broadcast Corporation Limited [CB(2)1476/99-00(05)]	<ul style="list-style-type: none"> - <u>Welcomes</u> the abolition of advertising royalties. - As for licence fees, proper cost accounting and cost control procedures should be put in place and the licensees should know how the costs are incurred before full-costs should be restored. 	<p style="text-align: center;">-</p> <p style="text-align: right;">CB(2)2094/99-00(04)</p>
	Hong Kong Arts Development Council [CB(2)1504/99-00(05)]	<u>Agrees</u> with government's long term television broadcasting policy.	<p style="text-align: center;">-</p>
	Cable & Wireless HKT Limited and Cable & Wireless HKT VOD Limited [CB(2)1504/99-00(09)]	<u>Supports</u> removing royalty payments.	<p style="text-align: center;">-</p>
	Galaxy Satellite Telecommunications Co Ltd [CB(2)1549/99-00(02)]	<u>Welcomes</u> the abolition of the advertising and subscription royalties scheme, to be replaced by an annual licence fee.	<p style="text-align: center;">-</p>
	Television Broadcasts Limited [CB(2)1549/99-00(03)]	<ul style="list-style-type: none"> - <u>Welcomes</u> the proposal to abolish the royalty payment scheme. - <u>Urges</u> the early introduction of a new regulatory framework. 	<p style="text-align: center;">-</p>
26. Schedule 8 Item k broadcasters	Satellite Television Asian Region Limited [CB(2)1504/99-00(08)]	<u>Welcomes</u> the inclusion of "item k" broadcasters under the Bill.	<p style="text-align: center;">-</p>

<p>27. Schedule 8 Transitional provision</p>	<p>Cable & Wireless HKT Limited and Cable & Wireless HKT VOD Limited [CB(2)1504/99-00(09)]</p>	<p>As no transitional provision is proposed in the Telecommunication Bill, the transitional provision (paragraph 4(2) of Schedule 8) is unnecessary.</p>	<p>CB(2)2094/99-00(04)</p>
<p>28. Schedule 9 (Consequential amendments to Broadcasting Authority Ordinance - composition of BA)</p>	<p>IFPI [CB(2)1702/99-00(01)] (second submission)</p>	<ul style="list-style-type: none"> - <u>Supports</u> widening the membership of the BA to include legal experts and professionals from other related sections. - <u>Suggests</u> to engage legal professionals as an office-bearer of the BA. 	<p>CB(2)1572/99-00(01) CB(2)1572/99-00(01)</p>
	<p>Hong Kong Cable Television Limited [CB(2)1541/99-00(01)]</p>	<p><u>Suggests</u> reviewing the membership, e.g. from part-time to full-time and support provided for BA as its power and responsibilities were widened under the Bill.</p>	<p>CB(2)1572/99-00(01)</p>
	<p>Hong Kong Cable Television Limited [CB(2)1650/99-00(02)] (second submission)</p>	<p><u>Suggests</u> reviewing BA's membership and providing sufficient support to enable it to fulfil its new role.</p>	<p>CB(2)1572/99-00(01)</p>
	<p>Hong Kong Development and Strategic Research Centre [CB(2)1549/99-00(01)]</p>	<p><u>Suggests</u> the Bill to include provisions for enhanced transparency for the appointment of members and operation of the broadcasting Authority;</p>	<p>CB(2)1572/99-00(01)</p>
<p>29. General views</p>	<p>Turner International Asia Pacific Limited [CB(2)1504/99-00(07)]</p>	<ul style="list-style-type: none"> - <u>Supports</u> separating regulation of transmission and provision of television programme services and introducing a technology-neutral approach for licensing and regulatory frameworks. - <u>Supports</u> areas of exemption from regulation, inclusion of competition law provisions and provisions on parental locks. 	<p>- -</p>

<i>(General views cont'd)</i>		<ul style="list-style-type: none"> - <u>Suggests</u> the Administration to deal with matters related to DTH services, granting visas to television staff, intellectual property protection and use of frequencies by means of administrative measures so as not to delay the introduction of the Bill. 	-
30. Other issues	Cable & Wireless HKT Limited and Cable & Wireless HKT VOD Limited [CB(2)1504/99-00(09)]	Legal and drafting aspects of the Bill should be consistent with that of the Telecommunication (Amendment) Bill 1999.	CB(2)1572/99-00(01)
	Hong Kong Cable Television Limited [CB(2)1541/99-00(01)]	<ul style="list-style-type: none"> - <u>Suggests</u> defining relevant market in accordance with competition theory. - Specifying the proposal for associated carriage licence. 	<p>CB(2)2094/99-00(04)</p> <p>CB(2)2094/99-00(04)</p>
	Hong Kong Development and Strategic Research Centre [CB(2)1549/99-00(01)]	<u>Suggests</u> the Bill to include provisions for : <ul style="list-style-type: none"> - the role of RTHK as a public broadcaster; and - the setting up of a public broadcasting channel. 	CB(2)1572/99-00(01)