

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1977/99-00  
(These minutes have been  
seen by the Administration and  
cleared by the Chairman)

Ref : CB1/PL/ITB/1

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

**Minutes of meeting**  
**held on Monday, 12 June 2000, at 2:30 pm**  
**in Conference Room A of the Legislative Council Building**

**Members present** : Hon MA Fung-kwok (Chairman)  
Hon SIN Chung-kai (Deputy Chairman)  
Hon Kenneth TING Woo-shou, JP  
Hon David CHU Yu-lin  
Ir Dr Hon Raymond HO Chung-tai, JP  
Hon Eric LI Ka-cheung, JP  
Hon Fred LI Wah-ming, JP  
Prof Hon NG Ching-fai  
Hon CHAN Kwok-keung  
Hon Howard YOUNG, JP  
Hon YEUNG Yiu-chung  
Hon Emily LAU Wai-hing, JP  
Hon Timothy FOK Tsun-ting, SBS, JP

**Members absent** : Hon James TO Kun-sun  
Hon CHOY So-yuk  
Hon LAW Chi-kwong, JP

**Public officers attending** : For Item III  
Miss Annie TAM  
Deputy Secretary for Information Technology and  
Broadcasting (3)

Mr M T WONG  
Chief Engineer (Cyberport)  
Information Technology and Broadcasting Bureau

For Items IV, VI & VII

Mr Alan SIU  
Deputy Secretary for Information Technology &  
Broadcasting (2)

For Item IV

Miss Adeline WONG  
Principal Assistant Secretary for Information  
Technology & Broadcasting (B)

For Item V

Ms Eva CHENG, JP  
Acting Secretary for Information Technology and  
Broadcasting

Mr M H AU, JP  
Senior Assistant Director of Telecommunications  
Office of the Telecommunications Authority

For Items VI & VII

Mr K H LAU, JP  
Director of Information Technology Services

For Item VII

Mr Victor LAM  
Senior Systems Manager  
Information Technology Services Department

**Clerk in attendance** : Miss Polly YEUNG  
Chief Assistant Secretary (1)3

**Staff in attendance** : Ms Sarah YUEN  
Senior Assistant Secretary (1)4

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**I Confirmation of minutes of meeting and matters arising**

(LC Paper Nos. CB(1)1720/99-00 and 1796/99-00(01))

The minutes of the Panel meeting held on 8 May 2000 were confirmed.

2. Members noted the Panel's list of follow-up actions.

**II Endorsement of the draft report of the Panel to the Council**

(LC Paper No. CB(1)1796/99-00(02))

3. Members endorsed the draft report of the Panel to the Council and authorized the Chairman and the Clerk to make revisions to it in the light of subsequent developments.

Clerk

*(Post-meeting note: The final report of the Panel incorporating deliberations at this meeting was presented at the Council Meeting on 21 June 2000.)*

**III Cyberport**

(The LegCo Brief on the Cyberport Project Agreement, LC Paper No. CB(1)1796/99-00(03) as well as a copy of a letter from the Deputy Chairman to the Administration asking it to consider increasing the office space in the Cyberport and a set of relevant power-point presentation material tabled at the meeting and circulated thereafter vide LC Paper Nos. CB(1)1849/99-00 (01) and (02))

4. With the aid of power-point presentation, the Deputy Secretary for Information Technology and Broadcasting (3) (DS/ITB3) briefed members on the major provisions of the Cyberport Project Agreement with a company belonging to Pacific Century Group (PCG).

Conversion of residential flats to office space

5. The Deputy Chairman enquired whether the number of residential flats in the Cyberport Portion of the Cyberport Project could be reduced to increase the office space therein to cater for the great demand. DS/ITB3 presented three slides (copies of the slides were circulated after the meeting vide LC Paper No. CB(1)1849/99-00(05)) and pointed out that the Cyberport was to create a strategic cluster of leading information technology (IT) companies and talents in Hong Kong by providing a high quality living and working environment, and hence there was a need for residential accommodation in the Cyberport Portion. As the plot ratio of the Cyberport had to be kept low to reduce its visual impact on the surrounding environment, the only way to increase office space therein appeared to be to reduce the residential

accommodation. As such, the Administration was actively examining whether the 148 residential flats to be provided in the first two phases of the project could be converted into offices. This conversion should result in 14,100 square metres of additional office space to accommodate some 25 tenants. Members noted that if such a move was decided upon, the layout plan so revised would have to be resubmitted to the Town Planning Board (TPB) for consideration and there might be a delay in the provision of the additional office space. The change however would not affect the completion date of other facilities to be provided in Phase 1. The Administration undertook to inform members the outcome of its consideration in due course.

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6. The Deputy Chairman opined that the standalone houses to be provided in the Cyberport Portion should be converted into office space as well in recognition that units in the Residential Portion of the Project could cater for the accommodation needs of people working in the Cyberport. In response, DS/ITB3 said that for the time being, focus would be placed on the said 148 residential units because their conversion, if implemented, would affect the layout of Phase 1 of the Project. As for the standalone houses, since they would not be provided until Phase 2, conversion of them could be examined at a later stage. She however pointed out that many potential tenants had indicated the need for houses for their senior expatriate staff working in the future Cyberport. As such, there would be a need to discuss with these companies on the possible conversion of the houses into office space. She also cautioned that the 22 houses to be provided in the Residential Portion were planned in conjunction with the 27 in the Cyberport Portion due to land use considerations. If the latter were to be converted to office space, the provision of the former might be affected. Moreover, as proceeds from the sale of the Residential Portion would be shared between PCG and the Government, if certain units therein were to be used to meet the shortfall in accommodation in the Cyberport Portion, the profitability of the Government and PCG might be affected and this would require further consideration. DS/ITB3 however assured members that the Administration would seriously consider the Deputy Chairman's proposal in consultation with PCG and would keep the Panel informed of the outcome in due course.

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7. In this regard, Mr Howard YOUNG commented that if the planned houses in the Cyberport Portion were to be converted into office space, there might be a need to explore the supply of similar types of accommodation in the vicinity of the Cyberport. In reply, DS/ITB3 said that not only would this be done, the Administration would also ascertain the specific needs for such houses from the potential tenants of the Cyberport.

8. In reply to Mr Howard YOUNG on whether the proposed conversion of residential space in the Cyberport Portion to office space would affect the financing arrangements for the Project, DS/ITB3 assured members that as the Cyberport Portion would be wholly owned by the Government, the conversion

should have insignificant implication in this regard. However, the conversion might give rise to changes in the layout plan and the construction costs for office buildings were normally higher than those for residential buildings. As a result, the \$15.8 billion agreed fixed price of the Project which PCG would bear might need to be adjusted. Moreover, the time and risks involved in raising financing for the Project by PCG and hence, the schedule of the Project might also be affected.

#### Government and PCG's respective role in the Cyberport Project

9. As to the Government's and PCG's respective role in the Project after signing of the Project Agreement, DS/ITB3 advised that for the purpose of ensuring smooth implementation of the Project, the Administration would monitor progress and compliance with the provisions of the Project Agreement. It would examine the forecast cash-flow requirements and audited financial statements to be submitted by PCG. It would also vet and approve the design and specifications of the Cyberport Portion. The Administration would also ensure smooth operation of the three companies specially set up to monitor the implementation of the Project as well as to take up the title of the land earmarked for the Project and the operation of the Cyberport Portion. As for PCG's role, DS/ITB3 confirmed that it would be responsible for the design, construction, development and marketing of the Cyberport Portion and the Residential Portion as an integrated development. The Cyberport Portion, when completed, would be handed back to the Administration. PCG would not be entitled to the rental income and any other income to be generated from the Cyberport Portion. Notwithstanding, it might be entrusted with the management of the Cyberport Portion in consideration of its role in the development stage. In addition, the original plan was that PCG should also be an anchor tenant of the Cyberport by its undertaking to take up at least 7,000 square metres of office space in Phase 1. However, since demand for office space in the Cyberport was very great, the Government had already requested PCG to drop the take-up guarantee and to apply for tenancy in the same way as other interested anchor tenants.

10. Miss Emily LAU enquired about safeguards against delays in completion of the Project and against PCG using substandard materials to make up for cost overrun. In reply, DS/ITB3 advised that PCG would have to pay Government liquidated damages, on a daily base, for failure to complete the different phases of the Project within the prescribed timetable. Where the provision of office space was involved, such damages would be calculated on the basis of rental loss. Where the Residential Portion was concerned, the damages would be calculated according to the Government's loss in terms of the sharing of proceeds from sale of the Residential Portion. As such, the amount of damages payable on a daily basis could range from over a hundred thousand to over one million dollars and should be sufficient in deterring work delays. On safeguards for workmanship and materials, PCG would be

required to proceed with the Project in accordance with the design and specifications approved by the Cyberport companies. Failing that, the Cyberport companies might disallow part of the construction costs. This arrangement would minimize the possibility of sub-standard works.

#### Rental for office space

11. In reply to Miss Emily LAU on the rental charged for the office space in the Cyberport Portion, DS/ITB3 advised that the rental charges for similar projects in other places such as the Mainland, Malaysia and the United States were in the range of \$10 to \$12 per square foot. Nevertheless, an advisory committee would be set up to work out the level of rental. Addressing Miss LAU's concern that the rent might be too low to cover the operating costs, DS/ITB3 assured members that any accumulated operating deficit of the first five years would be met by a development fund to be set up by setting aside \$200 million from the proceeds of the sale of the units in the Residential Portion. In the fifth year of operation, the need for further pumping of funds from the sales proceeds would be reviewed. In addition, the management fees collected as well as the rental income from other premises such as the hotels and retail outlets let at market rates could also be used to meet the operating costs.

12. Miss Emily LAU opined that the Government was in effect subsidizing tenants of the Cyberport because the aforesaid \$200 million could become Government income if shared as part of the sales proceeds of the Residential Portion instead of being set aside as a development fund. She also enquired whether the United States and the Mainland were likewise subsidizing the tenants of their IT infrastructures. In reply, DS/ITB3 said no direct comparison could be made with the United States as its Silicon Valley was different from the Cyberport. As for the Malaysian project, her understanding was that the rents were lower than the rents charged for the offices in Kuala Lumpur City. DS/ITB3 further clarified that the \$200-million development fund would be required in any case because even if there was no need for it to meet operating deficits, it would also be used to cover the replacement costs of the shared facilities of the Cyberport in the fifth year to ensure they would be kept most up-to-date.

#### Other concerns

13. Mr Eric LI was concerned how the Government could, in the face of the current sluggish property market and PCG's likely wish to sell the Residential Portion quickly to recover funds, ensure that the prices of the units in the Residential Portion would be set at an attractive level while minimizing the impact of the sale on the property market. In reply, DS/ITB3 assured members that the Government was fully aware of the above considerations as well as its market risk related to the sale of the Residential Portion. While

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PCG would propose the timing and sale prices of the Residential Portion according to its experience in the property market, its proposals would need to be approved by the Hong Kong Cyberport Development Holdings Limited, whose board of directors would see to it, inter alia, that the best interests of the Government in the Project would be protected. In reply to the Chairman, DS/ITB3 undertook to advise the Panel of the board membership upon its appointment at the end of 2000.

14. In response to Miss Emily LAU's reference to comments by residents of Baguio Villa on frequent changes in the layout plan of the Project, DS/ITB3 explained that changes seemed frequent only because the initial layout plan was merely a rough draft, and there was a need to make refinements to it before submitting it to TPB for approval. Thereafter, changes were again made to the plan to address Baguio Villa residents' concerns about the visual impact of the Project. Members noted that the revised building profile had been accepted by the owners' corporation of Baguio Villa and at its request, had also been submitted to TPB for consideration. DS/ITB3 also confirmed that the landscape area of the Project would remain the same in the revised plan because the site coverage was kept at 48%.

#### **IV Proposed revision of Government fees and charges under the purview of the Information Technology and Broadcasting Bureau and its departments**

(LC Paper No. CB(1)1796/99-00(04))

15. The Deputy Secretary for Information Technology and Broadcasting (2) (DS/ITB2) briefed members on the Administration's paper seeking views on the proposal to increase the fees prescribed in the Control of Obscene and Indecent Articles Regulations (COIAR) (Cap. 390 sub. leg.).

16. Mr Kenneth TING enquired whether cost savings from the Enhanced Productivity Programme (EPP) had been taken into account before concluding that there would be a shortfall in recovering cost for the provision of judicial services in 2000-2001. DS/ITB2 replied in the affirmative. The Principal Assistant Secretary for Information Technology & Broadcasting (B) supplemented that as a result of efforts to maximize the productivity of the court through means such as improving the listing system, the Judiciary would be able to delete 21 posts by phases and save \$7.74 million annually.

17. To better understand the costs of services provided under the COIAR, the Chairman asked whether it was possible to provide a detailed breakdown of the projected revenue from and costs of providing judicial services in 2000-2001 so as to justify the 8.5% increase in service fees to achieve full cost recovery. In reply, DS/ITB2 explained that in view of the large number of fees collected by the Judiciary, there was difficulty in providing the required

breakdown. The revision of the fees of the Judiciary had all along been conducted on a global costing basis with a view to seeking an overall breakeven. Members noted that the revision of fees collected by departments in similar situations were conducted on the same basis.

18. The Chairman asked whether the magistrates of the Obscene Articles Tribunal (OAT) would serve other courts as well so that there was difficulty in delineating the operating costs of the OAT alone. In reply, DS/ITB2 advised that the relevant magistrate served the OAT only, but OAT's work also involved the use of resources which were shared by other courts.

19. Members raised no objection to the relevant fee increase proposals.

#### **V Industry consultation on licensing framework for Third Generation Mobile Services**

(LC Paper No. CB(1)1796/99-00(06) and a set of relevant power-point presentation material tabled at the meeting and circulated thereafter vide LC Paper No. CB(1)1849/99-00(03))

20. With the aid of power-point presentation, the Senior Assistant Director of Telecommunications, Office of the Telecommunications Authority (SADT,OFTA) briefed members on the progress report on industry consultation on the licensing framework for Third Generation (3G) Mobile Services.

#### Selection of licensees

21. Miss Emily LAU urged the Government to exercise great care in deciding on the licensee selection approach and opined that overseas experience in this regard should be studied before making a decision. At her request, the Secretary for Information Technology and Broadcasting (Acting) (SITB(Atg)) agreed to provide further information on the licensing approach adopted by overseas countries. She nevertheless stressed that in deciding on the approach, there was a need to consider the policy objective to be achieved, which was to ensure a fair and highly transparent licensee selection mechanism to bring maximum benefits to consumers and the community, and to promote the development of Hong Kong's telecommunications industry. As such, all the views collected during the industry consultation would be examined in detail. Having drawn up some initial options, the Administration would seriously consider conducting a second round of consultation.

22. In reply to Miss Emily LAU on the reasons for the Government's reservation about adopting the spectrum auctioning approach, SITB(Atg) pointed out that spectrum auctioning had its pros and cons. While some supported it as a fair and transparent mechanism, there were also concerns that the high costs involved might disadvantage small operators.

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23. Miss Emily LAU was not convinced and commented that the problem could be solved by conducting a pre-qualification exercise to shortlist candidates for entering the final bidding stage. She further cautioned that if the Administration decided against the spectrum auctioning approach for licensing of the 3G services, it would need to account for its decision to assure the public that the decision was in their best interest. This was because the spectrum auctioning approach could raise great revenue to the Government and all bidders would compete for the award of licences on an equal basis. On the other hand, the allocation of the limited spectrum for 3G services by way of evaluation of the merits of applications would seem subjective, and would give rise to criticisms of unfairness and favouritism. In response, SITB(Atg) undertook to set out in detail the proposed licensee selection options in the second round of consultation.

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24. Mr Howard YOUNG, on the other hand, was concerned that if the approach of spectrum auctioning was adopted, the future licensee might eventually transfer the high costs incurred in securing the spectrum to consumers. He therefore proposed that to protect consumer interests, it might be desirable to adopt a hybrid approach whereby the auctioning result would be determined by the bidding price as well as undertakings on the level of service charges. In reply, SADT,OFTA undertook to examine the feasibility of his proposal.

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25. Mr Eric LI pointed out that for the sake of ensuring continued investment in the infrastructure and service quality to sustain effective competition, there might be a need to consider the financial and service capabilities of potential licensees apart from the level of fees they charged. In addition, there might also be a need to introduce measures to prevent large licensees from acquiring small licensees to form large entities to dominate the market. In reply, SITB (Atg) stressed that in recognition of these concerns, the industry had already been invited to express views on the need to regulate sale and purchase of shares, merger, etc. in the first round of consultation. She assured members that these concerns would continue to receive serious attention in the second round of consultation.

#### Other concerns

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26. Mr Howard YOUNG opined that there might be problems with reserving spectrum for new entrants as proposed because some so-called new entrants might in fact be the subsidiaries of an incumbent operator or they might be acquired by an incumbent operator later. In reply, SADT,OFTA said that if it was decided to reserve spectrum for new entrants, the Administration would need to define the term "new entrant" having regard to its relationship with existing licensees, the percentage of its shares held by existing licensees and other relevant factors.

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27. Noting that the planned second round of consultation would be conducted in the third quarter of 2000, Miss Emily LAU considered that the Administration should also consider the views of the newly elected Legislative Council as well. SITB (Atg) agreed to solicit members' views as far as practicable but also highlighted the need to finalize the 3G services licensing framework early for licence applications to begin in the last quarter of 2000 so that 3G services would be brought into commercial operation in Hong Kong in 2001 or 2002.

## **VI Hacking and virus activities and preventive measures**

(LC Paper No. CB(1)1796/99-00(05) and a copy of the press release from the Information Technology Services Department (ITSD) on the attack of the Interactive Government Services Directory by hackers tabled at the meeting and circulated thereafter vide LC Paper No. CB(1)1849/99-00(04))

28. DS/ITB2 briefed members on the Administration's paper on the common security hazards posed by computer viruses, hacking and other security intrusion activities, and preventive measures that the Government had taken to protect its computer systems and networks.

### General preventive measures

29. On measures being taken to safeguard Government computer networks against hacking activities, DITS assured members of the adequacy of the Government's four-pronged approach against hacking as detailed in the Administration's paper, namely, promulgation of IT security policies, installation of security devices and related procedures, continuous monitoring and control of all incoming network traffic, and regular review and assessment of exposure to information security risks. As to whether these measures would suffice under all circumstances, DS/ITB2 supplemented that the Central Internet Gateway system introduced in March 2000 to enable Government users to gain secure access to the Internet through a centrally managed gateway had greatly enhanced the security standards of Government systems.

30. On whether Government computer networks had ever been hacked before, DITS reported that two attempts to infiltrate the central Government computer systems had been detected in 1999 but both were thwarted by anti-hacking devices in time.

31. The Deputy Chairman pointed out that attacks on Government web sites by hackers were not uncommon. To gear up preventive efforts, he suggested that the Government should engage the service of hacking experts to regularly test the security measures of its computer networks for possible loopholes, and send representatives to attend the regular international hacker seminars to

update itself on the latest hacking techniques and solutions. In reply, DITS explained that part of the recurrent financial provisions for the Central Internet Gateway system was for the engagement of hacking experts to test the security soundness of the Gateway. The Administration had also visited hackers' news groups and web pages to monitor developments in hacking techniques for making security arrangements.

32. Regarding plans to strengthen legislation against hacking activities, DS/ITB2 advised that an inter-departmental working group had already been set up under the Security Bureau to study, inter alia, legislative changes to tie in with the developments in the Internet technology so as to effectively fight computer crimes. Members noted that the working group would be able to put forward a series of proposals in the latter half of 2000.

33. As to Mr Fred LI's question on whether the Police had the technical know-how to investigate into hacking activities, DS/ITB2 assured members that the Police had a special task force equipped with the expertise to fight computer crimes.

Recent attacks on the Interactive Government Services Directory (IGSD) web site by hackers

34. Mr Fred LI questioned why the Government's four-pronged approach against hacking should have failed to abort the recent repeated attacks on the IGSD web site, and enquired whether additional precautionary measures had been taken as a result. In reply, DS/ITB2 emphasized that the case was receiving serious attention by the Administration and had been referred to the Police for further investigation. Pending a comprehensive review of the ways to strengthen protection, the web site had been temporarily shut down. He however pointed out that security measures might not be able to catch up with new hacking techniques given the rapid developments in the Internet technology. As such, despite the four-pronged approach, attacks could not be totally ruled out. To forestall new attacks, the Administration would need to keep abreast of the trends of computer security attacks and the solutions available.

35. DITS supplemented that the IGSD was in fact a pilot scheme where information was constantly updated as part of the trial scheme. For example, the launch of the Chinese version of the investment guide of the Industry Department in April 2000 and the upgrading of the road traffic information provided by the Transport Department in late May 2000. The IGSD web site was therefore not yet in a state which was meeting in full the security requirements of other Government web sites. DITS however assured members that the IGSD web site was hosted in a stand-alone server system without connection to Government internal networks and hence, the other Government web sites had not been affected by the recent incidents.

The establishment of a computer emergency response team (CERT) in Hong Kong

36. The Deputy Chairman stressed the need to establish a CERT in Hong Kong in the face of increasingly frequent hacking activities and virus attacks, and expressed disappointment at the slow progress made so far. He was of the view that a working group should be set up immediately for this purpose. Miss Emily LAU shared his view and pointed out that Hong Kong, Sri Lanka and the Mainland seemed to be the only countries/territories in Asia which had yet to set up their own CERTs. In response, DS/ITB2 clarified that there were other places in Asia which did not have their own CERTs. The Administration agreed with members on the need to set up the local CERT as soon as practicable and assured members that the Administration was making active efforts in this regard.

37. At Miss Emily LAU's request to elaborate on steps taken to expedite the establishment of a CERT in Hong Kong and the tentative timetable, DS/ITB2 explained that the Administration had been liaising closely with the Hong Kong Productivity Council (HKPC) and industry organizations to encourage suitable organizations to set up the local CERT. He however opined that while there had been applications for funding for this purpose, it would not be desirable to set up the local CERT in a haste without having first ensured that it could function effectively. As such, the specific plan for the establishment of the local CERT would not be ready until after a study on CERT operation overseas was completed to identify the most suitable mode of service delivery. DS/ITB2 nevertheless advised that according to HKPC, which was seeking funds to conduct the above study together with the Hong Kong University of Science and Technology, a CERT could be established in Hong Kong within this financial year if there was no major unforeseen problem.

38. In this regard, DS/ITB2 and DITS emphasized that although a formal CERT had yet to be set up, ITSD, HKPC and some local universities were in fact performing certain functions of a local CERT. Measures taken included alerting the public of potential virus attacks through the ITSD web site and the media, promoting awareness on information security in the community, disseminating anti-virus information, and providing at the ITSD web site anti-virus software for free downloading.

39. In reply to Miss Emily LAU on how the existing measures could enable Hong Kong to tackle the recent "I love you" virus, DITS reported that once ITSD received news of the virus, it would immediately issue warning alerts and the latest anti-virus information to the public through its web site. Similar measures were taken to tackle the immediately following virus which took the form of a resume (the W97M.Melissa.BG). As to the difference between the work presently done by ITSD and that of the future CERT, DITS advised that apart from taking over the virus alert service, the future CERT could also

perform other functions such as co-ordinating advisory service by computer security experts on how viruses should be tackled, and organizing computer security seminars and exhibitions to promote public awareness of information security. Members noted that since 1999 ITSD had been organizing information security seminars in collaboration with HKPC on a regular basis.

## **VII Public consultation on the administration and assignment of Internet domain names and Internet protocol addresses in Hong Kong**

(LC Paper No. CB(1)1796/99-00(07))

40. DITS briefed members on the Administration's paper on the public consultation exercise being conducted on the administration and assignment of Internet domain names and Internet protocol (IP) addresses in Hong Kong.

41. Concerning the implementation timetable of the above new arrangements, DS/ITB2 said that if a consensus on the new arrangements could be achieved from the present consultation exercise to be completed by 16 July 2000, the Administration would implement the new arrangements as soon as practicable. Notwithstanding, the Administration would brief the Panel on the relevant decisions in due course.

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42. As to the source of authority for the new policy-making and administrative body to be established to assume the overall responsibility for Internet domain name administration in Hong Kong, DITS said that some form of "endorsement" from the Government, such as an agreement between the Government and the corporation, would be necessary to confirm the authority of the body. The agreement would also set out the relevant guidelines and the body's terms of reference. Members noted that this arrangement was in keeping with international practices, including the latest developments under the Internet Corporation for Assigned Names and Numbers (ICANN).

43. On the availability of an appeal mechanism should any party be aggrieved by the decision of the local registration authority, DITS said that where disputes arising from the registration or use of domain names were concerned, the current arrangement was to resolve the disputes at court. Under the ICANN however, arbitration by a mutually accepted third party could be conducted within 45 days. Only when such efforts failed would the case be referred to court.

44. The Deputy Chairman suggested that a levy should be imposed for every registration of domain names so as to provide a recurrent source of funding for the operation of the future local CERT. He however acknowledged that before such options could be pursued, there might be a need to set up a statutory rather than non-statutory corporation for Internet domain

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name administration. In considering that the relevant data base and services might expand in future, the Deputy Chairman also expressed reservation about the ability of the registration authority to operate on a self-financing basis if the proposed registration fee was but a modest one-off sum. DS/ITB2 noted his views for consideration.

45. The meeting ended at 4:40 p.m.

Legislative Council Secretariat

24 July 2000