

立法會
Legislative Council

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Panel on Information Technology and Broadcasting

**Minutes of special meeting
held on Friday, 16 January 2004, at 8:30 am
in the Chamber of the Legislative Council Building**

Members present : Hon SIN Chung-kai (Chairman)
Hon Howard YOUNG, SBS, JP (Deputy Chairman)
Dr Hon David CHU Yu-lin, JP
Hon Albert CHAN Wai-yip

Members absent : Dr Hon Eric LI Ka-cheung, GBS, JP
Hon CHAN Kwok-keung, JP
Dr Hon Philip WONG Yu-hong, GBS
Hon YEUNG Yiu-chung, BBS
Hon Emily LAU Wai-hing, JP
Hon Timothy FOK Tsun-ting, SBS, JP
Dr Hon LAW Chi-kwong, JP
Hon MA Fung-kwok, JP

Public officers attending : Agenda item I

Mr John C TSANG, JP
Secretary for Commerce, Industry and Technology

Mr Francis HO, JP
Permanent Secretary for Commerce, Industry and
Technology
(Communications and Technology)

Mrs Marion LAI, JP
Deputy Secretary for Commerce,
Industry and Technology
(Communications and Technology) 1

Mrs Betty FUNG, JP
Deputy Secretary for Commerce,
Industry and Technology
(Communications and Technology) 2

Mr Robin C GILL, JP
E-government Coordinator,
Commerce, Industry and Technology Bureau

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

Staff in attendance : Ms Pauline NG
Assistant Secretary General 1

Ms Debbie YAU
Senior Council Secretary (1)1

Ms Sharon CHAN
Legislative Assistant (1)6

Action

I Briefing by Secretary for Commerce, Industry and Technology on relevant policy initiatives in the Chief Executive's 2004 Policy Address

LC Paper No. CB(1)759/03-04(01) -- "Policy initiatives of Communications and Technology Branch, Commerce, Industry and Technology Bureau" provided by the Administration

LC Paper No. CB(1)804/03-04(01) -- Speaking note of the Secretary for Commerce, Industry and Technology
(*tabled and subsequently issued to members on 16 January 2004*)

Other relevant documents

Two booklets provided by the Administration

- (a) Address by the Chief Executive at the Legislative Council meeting on 7 January 2004 -- "Seizing Opportunities for Development Promoting People-based Governance"; and

(b) The 2004 Policy Address -- "Policy Agenda".

At the invitation of the Chairman, the Secretary for Commerce, Industry and Technology (SCIT) introduced the initiatives involving the Communications and Technology Branch of his Bureau in the 2004 Policy Agenda and gave an account on the position reached on the relevant main tasks for 2003. He also informed members that the Administration had decided not to take forward the proposals involving legislative amendments contained in the consultation paper "Protection of Youth from Obscene and Indecent Materials: The 2000 Review of the Control of Obscene and Indecent Articles Ordinance (COIAO) (Cap 390)" partly because views on these proposals were divided and partly because the operation of the COIAO had been enhanced in recent years through effective enforcement and public education.

Control of Obscene and Indecent Articles Ordinance (COIAO)

2. In reply to the Chairman's further enquiry on the review of COIAO, the Permanent Secretary for Commerce, Industry and Technology (Communications and Technology) (PSCIT(CT)) explained that the Administration had taken steps to enhance the industry's self-regulation on the publication and public display of obscene and indecent articles, strengthen enforcement of COIAO and launch publicity and education campaign on the COIAO. These measures had proved to be effective. As such, the Administration would not propose to change the existing legal framework for regulating obscene and indecent articles.

E-procurement

3. Noting that the Administration had achieved the target on e-procurement to carry out 80% of Government tenders through electronic means by end 2003, Mr Howard YOUNG asked whether the target referred to the number of procurement projects or the expenditure of the projects involved. He also enquired whether the scope of the e-procurement process included deposits payment and settling payments electronically.

4. In reply, PSCIT(CT) and the E-government Coordinator, Commerce, Industry and Technology Bureau (EGC/CITB) confirmed that the target referred to the number of procurement tenders being issued electronically. They said that the current Electronic Tendering System allowed suppliers from all over the world to receive notification of tenders, download tender documents, make enquiries about tenders, submit tender offers and receive notifications of tender award. While the Administration was examining ways to broaden the scope of the e-procurement process, options of e-payments for many other government services such as payments of Tax and Rates were already available.

5. Taking note of the Administration's reply, Mr Howard YOUNG considered that the Administration should draw on its e-commerce experience to explore and implement early the option of making e-payments for procurement with a view to promoting greater use of online purchase and e-payments in the

Admin community. PSCIT(CT) noted Mr YOUNG's view for consideration.

Provision of community channel(s)

6. Mr Albert CHAN noted the Administration's effort in bringing about remarkable developments in telecommunications services in Hong Kong in the past decade. However, he was gravely concerned that Hong Kong had seriously lagged behind other economies in its broadcasting services because even now, there was no channel available for the use of the public. He referred to the experience of Taiwan where informal radio and television broadcasting services catering for the needs of certain community groups had flourished into formal community channels during 1980s and 1990s. Mr CHAN reiterated his request that the Administration should make available without delay one or more channels for the use of the public, notably by different community, political or minority groups. He recapped his strong objection to the renewal of the licence of Hong Kong Cable Television Limited (HKCTV) on the ground that it did not make available any of its channels for the use of the public. He also stated his view that the Administration had taken side with HKCTV instead of acting in the interest of the public. Mr CHAN urged SCIT to critically re-examine the matter and come up with a concrete implementation timetable for designating community channels for public use.

7. In response, SCIT confirmed that at the present stage, the Administration had no plan to allocate exclusive channels for community or minority groups. He and PSCIT(CT) further explained that during the transition from analogue to digital broadcasting, the number of multiplexes was limited. They would be allocated to the two existing terrestrial television broadcasters and to those investors who were interested in providing programme services. In addition to limitation in frequency spectrum in Hong Kong, SCIT and PSCIT(CT) pointed out that the kind of public channels suggested by Mr CHAN might be justified in countries with a vast geographical area and a multi-ethnic population such as in the United States or Canada. However, Hong Kong was a small and densely populated territory which was relatively less diversified in terms of its culture and language. With the prevalence of information and communication technologies, the general public had made good use of the Internet, existing radio and TV channels to express their views.

8. Mr Albert CHAN did not subscribe to the Administration's response. He attributed the Administration's decision against the allocation of a formal community channel to political considerations. He noted with regret that the Administration was indifferent to the needs of minority groups and had continued to deprive them the rights to deliver specific programmes or community services for their groups via these channels. As it was understandable that no commercial broadcasters would be willing to open up any of its channels voluntarily for public use, Mr CHAN considered that the Administration should make it a licence condition to require commercial broadcasters to designate exclusive channels for the use of community or minority groups.

9. The Chairman said that as he recalled, the Government seemed to be more positive in the past on the issue of community channels. He considered that the Administration should at least seek the views of the public before drawing a conclusion on its policy stance, such as taking the opportunity of the second consultation on digital terrestrial broadcasting to gauge the community's views on public channels.

10. In response, SCIT confirmed that all along, the Administration had not changed its position on the subject of community channels. He said that in reaching its decision, the Administration had examined all relevant aspects of the subject thoroughly. PSCIT(CT) supplemented that the proposed public consultation on the broadcasting regulatory regime would focus on the impact of digitization, media convergence and new business and operational model in the industry. The aim would be to ensure that our regulatory environment remained relevant and that our business environment was competitive and conducive to innovation. As such, it would not address the issue of public access channels. In this connection, the Chairman remarked that interested members might explore issues related to community channels further with deputations when they presented views to the Panel on the second consultation paper on digital terrestrial broadcasting in Hong Kong at the meeting on 8 March 2004.

11. Dr David CHU Yu-lin disagreed with the Administration that the number of multiplexes of frequency networks was limited. According to his understanding, there was no question of insufficient frequency networks for digital broadcasting as such. Referring to the availability of some 50 television channels in the Mainland and in Taiwan and some 200 in the United States, he considered that Hong Kong should strive to catch up with other territories in the provision of more channels. He pointed out that with increasing access to more frequency networks, the public, the Administration or private broadcasters could deliver more programmes, in particular those of an informational and educational nature.

12. In response, SCIT advised that according to the frequency plan agreed with the Mainland authorities, there were five multiplexes available for the implementation of digital terrestrial television broadcasting in Hong Kong. On the delivery of informational and educational programmes, PSCIT(CT) pointed out that currently, the Internet was often regarded as a more effective and efficient platform for delivering such programmes due to its high penetration and usage flexibility. This was one of the reasons that the current operational mode of educational TV had to be revised to cater for its further development.

Type II interconnection

13. Mr Albert CHAN noted with concern that some local fixed telecommunications network services (FTNS) operators had chosen not to provide services for less profitable or remote areas, thus depriving the consumers of a choice over FTNS providers. He opined that the current policy on Type II interconnection might no longer serve as an incentive for new FTNS operators to

compete with the incumbent operator. As such, Mr CHAN urged the Administration to look into other ways to enhance consumer choice in less profitable or remote areas.

14. On Type II interconnection arrangement, PSCIT(CT) advised that the Administration's policy objectives were to facilitate effective competition in the telecommunications market and encourage efficient investment in networks. The Government had drawn up new proposals in the second consultation paper on the review of Type II interconnection. It was proposed that the Type II interconnection to copper-based customer access networks at telephone exchanges should be withdrawn in buildings connected by at least two self-built consumer access networks offering both narrow-band and broadband services to the occupants of the building. The second consultation paper also proposed a set of orderly and co-ordinated transitional arrangements for implementing the withdrawal of Type II interconnection obligations. The transitional arrangement would allow sufficient time for consumers to continue their existing subscriptions and for operators to adjust their business strategies and roll out new customer access networks if required.

15. Mr Albert CHAN referred to the in-building telecommunications systems self-built and operated by property owners which would be opened to the selected FTNS operator. He considered that separating network ownership from service provision could enhance competition in the telecommunications market and bring genuine benefits to consumers. As such, he asked the Administration to consider providing such in-building systems as a public infrastructural facility on a territory-wide basis.

16. In response, PSCIT(CT) highlighted that many new FTNS operators had already rolled-out their own networks. Most of the Type II interconnection made to another operator's network was to effect the last-mile coverage to reach customers' premises.

17. In this regard, the Chairman said that he supported the promotion of facility-based competition in the telecommunications market. He also reminded members that the Panel would meet with deputations to receive their views on the second consultation paper on review of the regulatory policy for Type II interconnection at its next meeting scheduled to be held on 25 February 2004.

Other issue

18. In reply to Dr CHU's suggestion on the wider use of octopus as a form of e-money in Hong Kong, SCIT advised that only the technical aspect of the octopus was within the purview of his Bureau. Nevertheless, he agreed to refer this suggestion to the Hong Kong Monetary Authority. The Chairman also remarked that interested members might raise the issue at the Panel on Financial Affairs if they so wished.

II Any other business

19. There being no other business, the meeting ended at 9:30 am.

Council Business Division 1
Legislative Council Secretariat
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