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Panel on Information Technology and Broadcasting

Meeting on 8 March 2004

Background brief on digital terrestrial broadcasting and related issues

Purpose

This paper summarizes past developments and the Panel's concerns on the policy and regulatory proposals for digital terrestrial broadcasting in Hong Kong and related issues.

Introduction

2. Digital broadcasting, which includes Digital Terrestrial Television (DTT) and Digital Audio Broadcasting (DA Broadcasting) services, is a new technology of transmitting sound and television services. Sound and pictures are processed electronically and converted into digital format for transmission. The signals will be re-converted by appropriate receivers or set-top boxes into sound or television programmes. As digital broadcasting can make more efficient use of the available spectrum, its benefits include the possible increase in the number of channels, new interactive multimedia services and high quality sound and pictures.

Public consultation

- 3. The Panel was first briefed on the Administration's preliminary proposals on DTT in the context of the consultation on the 1998 Review of Television Policy.
- 4. In December 2000, the Administration initiated a three-month public consultation on the policy and regulatory proposals for digital terrestrial broadcasting in Hong Kong. The scope of the consultation covered the choice

of DTT technical standard, the frequency plan, the licensing approach, the arrangements for transition from analogue to digital TV broadcasting, the determination of an analogue switch-off date, the requirements of set-top boxes and the prerequisites for introducing DA Broadcasting. Over 23 written submissions had been received.

- 5. On the technical standard to be adopted for DTT, the incumbent domestic free TV programme service licensees (namely, Television Broadcasts Limited (TVB) and Asia Television Limited (ATV)) urged that a decision should not be made until the Mainland had announced their decision on the DTT technical standard. In their subsequent submissions, TVB and ATV highlighted that if the same technical standard was adopted by the Mainland and Hong Kong, the wider multi-media market would be more attractive to investors of DTT and more business opportunities would be opened up for Hong Kong. Different views had also been received on the method of allocating spectrum capacity to the licensees. On DA Broadcasting, the existing sound broadcasting licensees in general considered that the introduction of DA Broadcasting services should be market-driven.
- 6. Having regard to the views received, the outcome of its coordination with Mainland authorities regarding the frequency plan for DTT broadcasting and overseas developments in digital broadcasting, the Administration issued a second consultation paper in December 2003 for a three-month consultation. In essence, public views are being sought on the proposed open and "market-led" approach to the adoption of DTT technical standard for Hong Kong, the allocation of multiplexes and the licensing arrangements.

Members' concerns

Development of digital broadcasting

- 7. The Panel has been briefed on major proposals in the first and second consultation papers issued in 2000 and 2003 respectively. Members are keen to ensure that before analogue broadcast is replaced by digital transmission, the Administration must be satisfied that the benefits of digital broadcasting should outweigh its costs. Besides, necessary equipment such as set-top boxes should be available to consumers at affordable prices.
- 8. Members have examined the pros and cons for Hong Kong to await the Mainland's decision and adopt a DTT technical standard which is compatible with that adopted in the Mainland. They have noted the Administration's "market-led" approach whereby the European DVB-T standard will be recommended but the multiplex operator may propose another technical standard subject to the satisfaction of the Telecommunications Authority.

Public access channel

Related motion debates

- 9. The subject of public access channel was raised in 1994 during the debate on a motion on the allocation of cable television channels to Government at the Council meeting held on 6 July 1994. Most Members who spoke on the motion agreed in principle to the setting up of a public access channel as a forum for diversifying broadcast programmes and exchanging views. The Administration however expressed reservation and urged that the subject must be studied with great care having regard to Hong Kong's circumstances. The motion was passed.
- 10. When speaking during a motion debate on broadcasting policy on 8 May 1996, some Members stated their support for the establishment of a public access channel and expressed their disappointment at the Government's decision in 1995 not to pursue the designation of a public access channel.
- 11. When speaking at the debate on the motion on broadcasting policy moved by Hon SIN Chung-kai at the Council meeting on 18 February 2004, Members were in support of the establishment of a public access channel to, inter alia, facilitate the free flow of views. Most of them also considered that this channel should be subject to the existing regulation by the Broadcasting Authority. While a Member opined that the public access channel should be funded by the private sector, many others agreed that the channel should be operated by a public body to maintain neutrality. In response, the Administration pointed out that following market liberalization in 2000 and as diversified services catering to the needs of different community groups were provided by public and commercial broadcasters and new media services, the Administration did not consider it necessary to set up a public access channel at the present stage.

Panel discussion

12. When the Panel considered the proposed way forward for digital broadcasting in Hong Kong, members have identified the more effective use of available spectrum as one of the anticipated benefits to bring about a possible increase in the number of television channels. Some Panel members have therefore urged the Administration to critically re-examine the possibility of allocating a public access channel. Referring to the presence of a variety of community channels in neighbouring territories and other advanced economies, these members consider that Hong Kong is lagging behind in the diversity of television programmes and in the free expression of views. A member has further suggested that Hong Kong Cable Television Limited, the major pay television services licensee, should be required by licence condition to open up

one of its channels for the use of the public.

- 13. When considering issues related to the licence renewal of Commercial Radio Hong Kong in June 2003, some Panel members saw merits in the early implementation of digital broadcasting in order that more radio frequency spectrum could be released for setting up additional channels, including community channels.
- 14. In response, the Administration has highlighted that Hong Kong is a small and densely populated place which is relatively less diversified in terms of culture and language. With the prevalence of information and communications technology, the general public has made good use of the Internet and existing radio and television channels to air their views. The Administration has maintained its policy stance that for the time being, there is no plan to provide a public access channel.

Latest position

15. The Panel will meet with deputations to receive their views on the second consultation paper on digital terrestrial broadcasting in Hong Kong at the meeting to be held on 8 March 2004.

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