



4th March 2004

Communications and Technology Branch
Commerce, Industry and Technology Bureau
2/F Murray Building
Garden Road
Hong Kong

Dear Sirs,

**Second Consultation on
Digital Terrestrial Broadcasting in Hong Kong**

The Hong Kong Democratic Foundation is pleased to forward its comments on the Second Consultation on Digital Terrestrial Broadcasting in Hong Kong, having previously responded to the First Consultation paper.

Technical Standard

In our response to the First Consultation paper we were of the view that it would be prudent to wait to review the DTT standard to be issued by the Mainland before reaching a final decision regarding the standard to be adopted in Hong Kong.

However, as there is no indication as to when the Mainland will reach a conclusion on the standard it will adopt, in order not to unnecessarily delay the introduction of DTT in Hong Kong it seems appropriate that a decision on the standard to adopt should be taken at an early date. In view of this we concur with your proposal in paragraph 15 that there be no officially prescribed technical standard, but that the European DVB-T standard be the recommended standard and that a multiplex operator could have the option of proposing another standard if it can be proven to the satisfaction of the Telecommunications Authority that such an alternative meets the five criteria set out in paragraph 12 of the Second Consultation paper.

Multiplex Licensing Framework

In line with our response to the First Consultation paper we agree that multiplex operators, programme service providers and additional services be licensed separately in accordance with your proposals in paragraph 24 of the Second Consultation paper.



On the basis that the MFN multiplex is reserved exclusively for ATV and TVB and in view of the fact that there will only be four SFN multiplexes available for Hong Kong, we agree with the proposal in paragraph 27 of the Second Consultation paper that the licensing restrictions proposed in the First Consultation paper be removed and that licenses for operating the four SFN multiplexes be awarded through an open and competitive process.

At the present time, or at least within a very short period, there will be almost 200 channels available to Hong Kong viewers from more than 15 different providers and the availability of the four new SFN multiplexes will add further significant capacity. With the addition of the four new SFN multiplexes there must be the probability that in a few years time, given the relatively small size of the market, consolidation of services will take place with the possible consequence of subsequent diminution of choice to the public. It will therefore be important for the Broadcasting Authority, as the industry regulator, to take a vigilant and robust role to ensure that any future consolidation in the provision of television broadcasting services that might take place has the least possible adverse impact on the public's diversity of choice of programming.

Furthermore, we would like to stress that it is important for the Broadcasting Authority to be diligent in ensuring a competitive environment not only among the existing license holders and between them and the new license holders in the future, but also to ensure that an environment exists across terrestrial and paid service providers that truly fosters choice for viewers, yet makes for the viability of a significant number of providers to sustain their services over the long term.

Yours faithfully,
Hong Kong Democratic Foundation

G W H Cautherley
Vice Chairman