

立法會
Legislative Council

LC Paper No. CB(1)2100/05-06
(These minutes have been seen
by the Administration)

Ref : CB1/PL/ITB/1

Panel on Information Technology and Broadcasting

Minutes of meeting
held on Monday, 12 June 2006, at 2:30 pm
in Conference Room A of the Legislative Council Building

- Members present** : Hon SIN Chung-kai, JP (Chairman)
Hon Albert Jinghan CHENG (Deputy Chairman)
Hon Fred LI Wah-ming, JP
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Howard YOUNG, SBS, JP
Hon Emily LAU Wai-hing, JP
Hon Ronny TONG Ka-wah, SC
- Members absent** : Dr Hon LUI Ming-wah, SBS, JP
Hon Timothy FOK Tsun-ting, GBS, JP
- Public officers attending** : Agenda Item IV
Mrs Marion LAI, JP
Deputy Secretary for Commerce, Industry and
Technology (Communications and Technology)

Mr Eddie CHEUNG
Principal Assistant Secretary for Commerce, Industry
and Technology
(Communications and Technology) A

Agenda Item V
Mrs Marion LAI, JP
Deputy Secretary for Commerce, Industry and
Technology (Communications and Technology)

Mr Y K HA
Assistant Director of Telecommunications
(Regulatory)

Agenda Item VI

Mr Stephen MAK, JP
Deputy Government Chief Information Officer
(Operation)

Ms Linda SO
Deputy Government Chief Information Officer
(Planning & Strategy)

Ms Subrina CHOW
Assistant Government Chief Information Officer
(Special Duties)

Mr Raymond CHAN
Chief Systems Manager (E-Government Policy and
Development)

**Attendance by
Invitation**

: Agenda Item IV

Hong Kong Commercial Broadcasting Company
Limited

Mr Felix TO
Assistant General Manager

Ms Amy WONG
Director of External Affairs

Hong Kong CSL Limited

Mr David AITKEN
Legal Advisor

Mr K L HO
General Manager, Mobile Application

Hong Kong Information Technology Federation/
Internet Society Hong Kong Chapter

Mr Charles MOK
Chairperson
Internet Society Hong Kong Chapter

Television Broadcasts Limited

Mr CHEONG Shin-keong
General Manager, Broadcasting

Dr Janie TO
Manager, Research and Development Department

Clerk in attendance : Mr Paul WOO
Senior Council Secretary (1)3

Staff in attendance : Ms Debbie YAU
Senior Council Secretary (1)1

Ms Sharon CHAN
Legislative Assistant (1)6

Action

I Confirmation of minutes and matters arising

(LC Paper No. CB(1)1600/05-06 -- Minutes of meeting held on 6 April
2006

LC Paper No. CB(1)1701/05-06 -- Minutes of meeting held on 8 May
2006)

The minutes of the meetings held on 6 April and 8 May 2006 were confirmed.

II Papers issued since last meeting

2. Members noted that no papers had been issued since the last meeting.

III Date and items for discussion for next meeting

(LC Paper No. CB(1)1688/05-06(01) -- List of outstanding items for discussion

LC Paper No. CB(1)1688/05-06(02) -- List of follow-up actions

LC Paper No. CB(1)1716/05-06(01) -- Letter dated 6 June 2006 from Hon CHOY So-yuk (Chinese version only))

Concerns caused by a radio programme "So Fab"

3. Members noted the recent public outcry against an internet poll launched by a radio programme of the Hong Kong Commercial Broadcasting Company Limited (CRHK) "So Fab", which was criticized as being insulting to females and provoking violence against women. The Chairman invited members to consider Hon CHOY So-yuk's suggestion for the Panel to follow up issues relating to the regulation of radio programme services.

4. Given that the Broadcasting Authority (BA) had received a deluge of complaints against the radio programme and was reviewing the case, the Deputy Chairman said that it would be more appropriate for the Panel to consider how to follow up the subject after the BA had completed its investigation. Ms Emily LAU shared his view and suggested that the BA should be requested to provide a report on its findings after it had concluded the case. The Administration should also be requested to provide a response.

BA

(Post-meeting note: The Secretariat wrote to the BA on 13 June 2006 requesting it to provide a report on the findings of its investigation and any conclusions/recommendations made thereof. It has also requested the Administration to provide its views, from the policy perspective, on whether there was a need to tighten up the existing monitoring mechanism for radio programmes to guard against recurrences of similar objectionable programmes. The Secretariat's letter, the BA's initial reply and its press release on the complaints against the radio programme "So Fab" have been issued for members' information vide LC Paper No. CB(1)1819/05-06 on 21 June 2006.)

Progress in the implementation of digital terrestrial television broadcasting (DTT) in Hong Kong

5. The Chairman informed members that during a visit to the Television Broadcasts Limited (TVB) on 25 April 2006, TVB had sounded out that preparatory work for launching digital terrestrial television (DTT) services by 2007 had not progressed as smoothly as expected. The Chairman invited members and the Administration to consider whether the Panel should be briefed on the latest

progress of the roll-out of digital TV services and the impediments, if any.

6. The Deputy Secretary for Commerce, Industry and Technology (Communications and Technology) (DSCIT(CT)) advised members that the Administration would continue to implement DTT services according to the schedule under which both TVB and the Asia Television Limited (ATV) were required to launch DTT services by 2007. According to the policy framework, the decision on the technical standard would have to be made by the end of 2006. As such, there was not much the Administration could report on new development at the present stage.

Clerk

7. The Chairman requested the Clerk to follow up with the two domestic television service providers on whether they would be prepared to discuss with the Panel and the Administration on the subject matter, and finalize the meeting arrangement as appropriate in the light of their response. Ms Emily LAU suggested that if there was no suitable item for discussion at the next regular meeting, members might discuss the Panel's report on the study of public service broadcasting in Hong Kong. Members agreed.

(Post-meeting note: On the instruction of the Chairman, the Panel has scheduled to consider the subject with the two domestic television service providers and the Administration at its next regular meeting to be held on 18 July 2006 at 5:00 pm.)

IV Proposed establishment of the Communications Authority

(CTB(CR)9/19/13(05)Pt.4

-- Legislative Council brief on consultation paper on the establishment of the Communications Authority)

Submissions from deputations

8. Members noted that a submission (LC Paper No. CB(1)1743/05-06(01)) had been provided by Hong Kong Cable Television Limited not attending the meeting.

Hong Kong Commercial Broadcasting Company Limited (CRHK)

9. Mr Felix TO, Assistant General Manager of CRHK, expressed CRHK's support in principle for the Administration's proposal to merge the BA and the Telecommunications Authority (TA) into a unified regulator named the Communications Authority (CA) for co-ordinated regulation of the whole electronic communications sector. CRHK also supported the key arrangements proposed in the Administration's consultation paper and welcomed the adoption of a light-handed regulatory approach by the new regulator. However, as some newly emerged electronic media were not subject to the same regulatory and

licensing arrangements as that applied to the existing licensed broadcasters, Mr TO urged that the future CA should conduct prompt review on the regulatory framework for the entire broadcasting sector with a view to fostering fair competition and creating a level-playing field for all service providers in the broadcasting industry.

Hong Kong CSL Limited (HKCSL)

(LC Paper No. CB(1)1726/05-06(01) -- Joint submission with New World PCS Limited (NWPCS)

10. Mr David AITKEN, Legal Advisor of HKCSL, referred members to the views of HKCSL and NWPCS detailed in their joint submission, and expressed support for the Administration's initiative to merge the TA and the BA into the CA.

Hong Kong Information Technology Federation (HKITF)/Internet Society, Hong Kong Chapter (ISOC-HK)

(LC Paper No. CB(1)1726/05-06(02))

11. On behalf of HKITF and ISOC-HK, Mr Charles MOK, Chairperson of ISOC-HK, expressed support for the Administration's merger proposal. He elaborated the gist of the views of HKITF and ISOC-HK as follows –

- (a) The integration of the Telecommunications Ordinance (Cap. 106) and the Broadcasting Ordinance (Cap. 562) into a composite Communications Ordinance should be taken forward in parallel with the proposed merger so that the CA, once established, could act under a single legislation. The existing inconsistencies in the regulatory framework under the TO and BO should also be rationalized without further delay.
- (b) The principles governing consumer choice and protection and fair competition in a converging market should be highlighted in the public mission of the CA. The CA should also continue to uphold the technology-neutral principle currently maintained by the TA to encourage innovation and creativity.
- (c) To safeguard public interest, suitable checks and balances in the CA should be put in place. For instance, representatives of relevant stakeholders, including the industry operators, consumers, academics and telecommunications and broadcasting professionals should be appointed by the Chief Executive with the endorsement of the Legislative Council (LegCo).

Television Broadcasts Limited (TVB)
(LC Paper No. CB(1)1726/05-06(03))

TVB

12. Mr CHEONG Shin-keong, General Manager of TVB, said that TVB supported the case of a unified regulator (i.e. the proposed CA) in a converging market. However, to tie in with the launching of DTT broadcasting by 2007 and to promote a healthy development of the broadcasting industry, the Administration should expedite the review of TO and BO ahead of the establishment of the CA. Mr CHEONG added that in response to the Administration's consultation, TVB would provide a detailed submission to the Administration by 16 June 2006. A copy of the submission would be forwarded for members' reference.

The Administration's initial response to deputation's views

13. Taking note of deputations' submissions, DSCIT(CT) said that the Administration would examine the views carefully in drawing up the enabling legislative proposals for the establishment of the CA. The Administration planned to introduce the relevant Bill for LegCo's scrutiny by end 2006. She then responded to deputations' views, highlighted as follows –

- (a) The Administration noted that there was general support for the proposed establishment of the CA and the adoption of a light-handed regulatory approach despite some differing views on the details of implementation.
- (b) The Administration had proposed to adopt a staged approach whereby the CA would first be set up and continue to enforce the existing TO and BO. In the second stage, the CA would be tasked to review and rationalize TO and BO together with the Administration. Nevertheless, the Administration would study the feasibility of reviewing and consolidating certain competition provisions under the TO and BO as soon as possible.
- (c) The CA would be a statutory body tasked with regulation of the telecommunications and broadcasting industries. To ensure impartiality and guard against conflict of interests, it would not be appropriate for representatives of industry operators, which were the target of CA's regulation, to be appointed to the CA as its members. A requirement for LegCo's endorsement of appointment of members of the CA might also lead to politicization of the appointment process.

Discussion

Composition of members of the CA

14. Ms Emily LAU said that she agreed with the view that there should be suitable checks and balances within the CA to ensure that it could fulfil its

regulatory role impartially. She invited deputations to comment on the suggestions of HKITF/ISOC-HK with regard to the composition of CA's membership. She also sought the deputations' views on whether the appointment of CA's members should comply with the "six-year rule" and "six-board rule", i.e. the appointed non-official members of advisory and statutory bodies should not serve for more than six consecutive years in the capacity, and should not serve as member on more than six boards or committees concurrently.

15. Mr Charles MOK of ISOC-HK reiterated that it would be conducive to enhancing the CA's credibility if representatives from the broadcasting and telecommunications industries could be appointed to the future CA as members. The Chairman expressed the view that it might not be easy for the stakeholders, including the industry operators, to nominate among themselves candidates acceptable by all market players.

16. Ms Emily LAU referred to the mode of formation of the Construction Industry Council (CIC) whereby selected organizations representing specific sectors in the construction industry, including employers, trade unions, contractors, suppliers, professionals and consultants could put forward nominations of members of CIC for consideration and appointment by the bureau secretary. She urged the deputations to fully reflect their views on the structure and composition of the CA, and the Administration to carefully consider such views before finalizing the proposals.

Management and operational structure of CA

17. Ms Emily LAU said that she tended to support the HKCSL/NWPSC's view that the CA should be led by a properly remunerated full-time Chairman as opposed to a non-official Chairman under the Administration's proposal. She also agreed that to enhance independence and integrity of the Chairman of the CA, the three measures proposed by HKCSL/NWPCS in their joint submission to avoid conflict of interests should be considered (paragraphs 3.10.1 – 3.10.3 of LC Paper CB(1)1726/05-06(01)). Ms LAU sought the Administration's response in this regard.

18. In response, DSCIT(CT) said that at this stage, the Administration had not yet made a decision on whether the CA should have a full time or part-time Chairman. To the Administration, the major consideration was that the position of the Chairman should be filled by an individual who was able to contribute to the development of the telecommunications and broadcasting industries, as head of a regulatory body.

19. Ms Emily LAU further remarked that there was trend of separation of the role of the chairman of a statutory body from that of the executive arm of the body, as in the case of the Securities and Futures Commission (SFC). The Administration should take this into consideration in deciding the management structure of the CA. Noting that the proposed remuneration for the future SFC

Chairman was only about \$700,000 per annum, Ms LAU was gravely concerned that a nominal remuneration would not be sufficient to attract persons with the required expertise, ability and commitment to take up the post of chairman of a statutory body assuming important regulatory functions, and guard against conflict of interest situations. Ms LAU considered that given the important regulatory role of the CA, the Administration should seriously reconsider its proposal of a non-official Chairman of the CA, who might be unpaid or just nominally remunerated. The Administration should also carefully consider the division of responsibilities between the Chairman and the executive head of CA.

20. The Chairman pointed out that comparable regulators overseas varied in their management and operational structure, e.g. the number of and proportion between the executive directors (EDs) and non-executive directors (NEDs) in the organizations. Unlike the SFC's model under which the ratio of EDs to NEDs was five to seven, the proposed structure of CA comprised two official members and five non-official members. The Chairman suggested that the Administration might draw reference from the experience of similar merger operations overseas. For example, in the case of the unified regulator, the Office of Communications in the United Kingdom, there were two distinctive divisions overseeing the operation of the broadcasting and telecommunications markets. The Chairman called upon the deputations to give more thorough thoughts to the matter and provide their views for the consideration of the Panel and the Administration.

21. Mr CHEONG Shin-keong of TVB said that insofar as the Chairman of the future CA was concerned, TVB's opinion was that it should be a full-time remunerative post. TVB would include more detailed views in its future submission to the Administration.

22. The Deputy Chairman said that for the successful performance of its regulatory functions and to ensure credibility in its work, the CA should be led by a full-time Chairman and composed of members with the necessary professional knowledge and experience in the telecommunications and broadcasting fields. He stressed that to ensure public confidence in the independence and credibility of the CA, the Chairman and members of CA should be appointed on the basis of the individuals' expertise and not on their political background and affiliations.

23. DSCIT(CT) assured members that the Administration was mindful of the need to appoint people with the right kind of calibre and knowledge as members of the CA to ensure effective, independent and impartial regulation of the communications industry, whilst also safeguarding fair competition in a convergent environment free from undue influence. In exercising its regulatory and investigative role and powers, the CA would continue to be bound by the statutory provisions in the BO and the Broadcasting Authority Ordinance (Cap. 391) as well as the relevant codes of practice.

Cost savings

24. Noting that some TV service providers had raised the issue of cost savings achievable through the proposed merger of the BA and TA in the course of discussion of a subcommittee tasked to examine the revision of TV licence fees under the Broadcasting (Revision of Licence Fees) Regulation 2006, Mr Howard YOUNG sought the deputations' views on the matter. In response, Mr David AITKEN of HKCSL said that HKCSL and NWPCS were still seeking information from the Administration with a view to analyzing relevant issues relating to the proposed merger including whether the merger would bring about cost savings. The data to be made available by the Administration would facilitate the industry stakeholders in formulating their views and proposals for the consideration of the Administration.

Scope of regulation

25. Noting CRHK's suggestion of a study on whether all service providers should be subject to the same regulatory regime, the Deputy Chairman sought clarification from CRHK whether it was proposing that new media service providers, such as web radios, should be licensed and regulated by the future CA. Mr Felix TO of CRHK replied that CRHK was of the view that the Administration should, without prejudicing public interests, apply the same light-handed monitoring approach to existing licensed broadcasters and service providers alike.

The staged approach and implementation of DTT broadcasting

26. Noting that TVB had urged the Administration to commence the review of the TO and BO before the establishment of the CA to prepare for the implementation of DTT broadcasting by 2007, Ms Emily LAU expressed concern about whether there were difficulties encountered by the domestic free TV service providers in implementing DTT broadcasting services. In response, Mr CHEONG Shin-keong of TVB said that while the existing legislative framework could cater for the initial implementation of DTT broadcasting, the Administration should proceed to review at an early stage the adequacies or otherwise of the legislation in regulating the service after full digitization. He said that upon the implementation of DTT broadcasting by 2007, additional frequency spectrum would be available during the transition period of migration of analogue broadcasting to DTT broadcasting. He expected that in about 2008/2009, there would be surplus network capacity for new operators to provide services through licensing arrangements. Such being the case, there was an urgency to review the necessity for enactment of new legislative to support new forms of TV services in a digital era.

27. DSCIT(CT) said that the Administration did not see any inadequacies in the existing regulatory framework in supporting the implementation of DTT broadcasting service while at the same time ensuring fair competition among service providers. Nevertheless, she took on board the need for legislative review

from time to time in the light of new market and technology developments.

28. The Chairman requested TVB to submit written views on the implementation of DTT service for the Panel's consideration and invited TVB to take part in future discussion when the issue was to be followed up by the Panel.

(Post-meeting note: The submission from TVB has been issued to all Members on 27 June 2006 vide LC Paper No. CB(1)1872/05-06.)

V Commencement of section 8(1)(aa) of the Telecommunications Ordinance and creation of a class licence to regulate telecommunications services

(LC Paper No. CB(1)1688/05-06(03) -- Information paper provided by Administration

Introduction by the Administration

29. At the invitation of the Chairman, the Assistant Director of Telecommunications (Regulatory) (AD/Tel(R)) briefed members on the second public consultation on the proposal of the TA to commence section 8(1)(aa) of the Telecommunications Ordinance (TO) (Cap 106) to regulate the offer of telecommunications services. He outlined the background of the public consultation and introduced the fresh proposal in the second consultation paper, under which the TA proposed to fully commence section 8(1)(aa) of the TO and to create a class licence to regulate the offer of all kinds of telecommunications services. AD/Tel(R) also highlighted the features of the new proposal, including the scope of the regulation, the light-handed regulatory approach and the licence conditions of the proposed class licence as set out in the Administration's paper (LC Paper No. CB(1)1688/05-06(03)). Members noted that the Administration intended to finalize the proposal in the third quarter of 2006, with a view to commencing section 8(1)(aa) and the new class licence in early 2007.

Discussion

Licence fee

30. Ms Emily LAU expressed her support for the Administration's proposal to adopt a light-handed approach in regulating the offer of telecommunications services and urged the Administration to implement the regulatory scheme as soon as practicable. Referring to the objection of the licensees concerned to the increase in the fees for certain categories of television programme service licences under the Broadcasting (Revision of Licence Fees) Regulation 2006, Ms LAU was concerned why some respondents had questioned the TA's intention not to levy any licence fee for reselling telecommunications services.

31. In response, AD/Tel(R) said that he understood that the respondents were mainly concerned about the possibility of requiring the licensed operators to cross-subsidize the costs involved in administering the class licences. He explained that the proposal was made in view of the low estimated administrative costs involved. Nevertheless, AD/Tel(R) assured members that the TA would review the fee issue from time to time.

Light-handed regulation

32. While welcoming the light-handed regulatory approach, the Chairman was concerned that the proposal of not imposing any registration requirement for the class licensees might not help safeguard consumers' interest. Under the proposal, the TA and the public could not readily identify those resellers who had failed to deliver their services to the assured level. The Chairman also considered that the proposed licence condition requiring the class licensees to provide specific information to the consumers when the telecommunications services were offered seemed to run counter to the TA's intention to revise the eligibility criteria so that unincorporated persons, such as sole proprietors or partnerships, could also become class licensees. He was concerned that a service provider being a sole proprietor running a one-man office might not be able to comply with the requirement to provide the required information such as hotline number, access code and access instructions etc to the consumers.

33. Highlighting the scope of regulation, AD/Tel(R) explained that the proposed class licence regime mainly targeted at those persons who usually purchased wholesale services from licensed operators and resold the services in the retail market under their own brand names. It was expected that these service providers would not be small business operators. AD/Tel(R) further clarified that agents or contractors of licensed operators who sold or promoted telecommunications services for or on behalf of the operators within the scope of the respective agency agreements would fall outside the proposed regulation.

34. The Chairman was unconvinced of the explanation and considered that a registration requirement would enable the resellers to be aware that they fell within the class licensing regime and therefore had to observe the licence conditions of the proposed class licence. He sought information on the penalties to be imposed on class licensees contravening section 8(1)(aa) of TO.

35. AD/Tel(R) responded that in general, the TA might issue directions in writing to a licensee requiring the latter to take such action as was considered necessary to comply with the licence conditions or any provisions of the TO. If the licensee failed to comply with the direction, the TA might impose financial and other penalties provided for under the TO.

36. Echoing the Chairman's view on the need to identify the resellers, Ms Emily LAU enquired whether the Administration had envisaged any difficulty in enforcing section 8(1)(aa) of TO. She also sought information on the number of

service providers currently providing resale of telecommunications services in the market.

37. In reply, AD/Tel(R) advised that there were currently about 200 types of branded pre-paid cards available in the market. On enforceability, AD/Tel(R) highlighted the *ex-post* and complaint-driven nature of the proposed regulatory regime. While acknowledging that the Administration envisaged some difficulties in enforcing the proposed regulation with regard to resale activities conducted in street stalls, AD/Tel(R) said that the TA would continue to conduct consumer education programmes to encourage the public to purchase services only from persons who were able to provide or make available the information to them when the services were offered. In fact, probably due to the success of consumer education, the number of complaints in relation to resale of telecommunications services had progressively been reduced, from 54 cases in 2003 to 34 in 2004 and only 12 in 2005.

Way forward

38. In reply to the Chairman, AD/Tel(R) confirmed that the commencement notice of section 8(1)(aa) of TO would be a subsidiary legislation subject to negative vetting by LegCo.

VI Progress update on the E-government programme

(LC Paper No. CB(1)1688/05-06(04) -- Information paper provided by Administration

LC Paper No. CB(1)1692/05-06 -- Updated Background Brief on E-government Programme prepared by the Secretariat)

Briefing by the Administration

39. At the invitation of the Chairman, the Deputy Government Chief Information Officer (Planning and Strategy) (DGCIO(P&S)) updated members on the progress on the implementation of the e-government programme. In gist, she highlighted the latest position on the on-going initiatives, in particular the one-stop access portal (OSP), electronic procurement, smart identity (ID) card and property information hub, as set out in the Administration's paper (LC Paper No CB(1)1688/05-06(04)).

Discussion

One-stop portal

40. In reply to the Chairman's enquiry on the development of OSP, DGCIO(P&S) advised that subsequent to the Finance Committee's approval in March 2006 of a commitment of \$170.8 million for developing the new OSP and enhancing the central infrastructure to support the implementation of the new strategy, the Office of the Government Chief Information Officer (OGCIO) had been working closely with relevant bureaux/departments (B/Ds) in taking forward the initiative. As scheduled, the first release of the OSP would be soft launched in late July/early August of 2006 for public trial use. DGCIO(P&S) highlighted that in designing the portal, special attention had been given to the need of the visually impaired individuals. To ensure the accessibility of the portal, the public, in particular members of the Hong Kong Society for the Blind and Hong Kong Blind Union, had been invited to try out the portal and give feedback on its general design and content. Improvements would then be made to the portal taking into account the views and suggestions received.

41. DGCIO(P&S) further explained that to prepare for the introduction of private-sector participation, an Expression of Interest (EOI) exercise would be conducted in the latter half of 2006 to gauge market interest in providing value-added contents and services on the OSP/service clusters, offering additional service delivery channels (i.e. channels other than the Internet), and/or interest in operating individual clusters. The OGCIO would study the suggestions received in the EOI exercise with B/Ds and conduct customer research to determine whether the suggested models of public-private co-operation were acceptable and appropriate from the community's perspective.

Project governance

42. Ms Emily LAU commended the Administration's effort in updating the Panel regularly on the latest progress on the implementation of the e-government programme. Noting that the Administration had enhanced the governance mechanism for government information technology (IT) projects, in particular the larger-scale, complex and high-risk ones, Ms Emily LAU enquired about the nature of these projects and whether the information system developed and maintained by the Independent Police Complaints Council (IPCC) was one of them.

43. In response, DGCIO(O) advised that the information system of the IPCC was not part of the government IT projects in question. On project governance, he explained that in the past few years, experience had shown that there were some slippages or difficulties in implementing some IT projects. To further strengthen the governance of government IT projects, a new mechanism was put in place with effect from April 2006. Under the new governance mechanism, OGCIO would conduct regular review on the progress of the implementation of IT projects in the entire Government, in particular those involving advanced technologies,

cross-departmental and complex projects, to ascertain whether they were on schedule, within budget and met the requirement of the B/Ds concerned. In case a particular IT project was found to be problematic, OGCIO and the project manager concerned would work together to identify the underlying cause of the deficiencies with a view to resolving the problems. In reply to Ms Emily LAU's further enquiry, DGCIO(O) said that the governance mechanism was a standing arrangement to ensure the smooth implementation of government IT projects.

Smart ID cards

44. Noting that some smart ID card holders could not use their cards to perform self-service immigration clearance successfully through the e-channels under the automated passenger clearance system, Ms Emily LAU was concerned whether there were inherent problems with smart ID card system. The Deputy Chairman said that he also had experienced difficulties in using the e-channels on a number of occasions.

45. In response, DGCIO(O) pointed out that e-channels and the smart ID card replacement system were independent IT systems. In December 2004, the Immigration Department had rolled out a number of e-channels at Lo Wu Control Point for automated immigration clearance for passengers using smart ID cards. By adopting biometric verification technologies, smart ID card holders could enjoy more convenient service through self-service immigration clearance. DGCIO(O) further advised that in using the e-channel, smart ID card holders should insert their ID cards with the side bearing the arrow and chip into the card reader. It would then take a short while for the system to perform mutual authentication with the smart ID card key. Users could then enter the e-channel when the gate doors opened. After entering the e-channel, users just need to place their thumb flat on the centre of the scanner for fingerprint verification. DGCIO(O) said that it was understood that some people with blurred fingerprints or who did not place their thumbs properly on the scanners might cause difficulties in fingerprint verification, while in some instances the sensitivity of the scanners and readers could also affect the verification process. In any case, however, the problems were not likely to be related to the smart ID cards. Noting the Administration's explanation, Ms Emily LAU urged that as the e-channel system was also one of the e-government initiatives, the problems should be put right as soon as practicable.

VII Any other business

46. There being no other business, the meeting ended at 4:15 pm.