

**Consumer Council's Submission to
Panel Information Technology and Broadcasting on Progress in the
Implementation of Digital Terrestrial Television (DTT)**

1. The Consumer Council (CC) welcomes the opportunity to express its views on the implementation of digital terrestrial broadcasting and the availability of set-top boxes for use by general viewers. CC considers that the main concerns relevant to consumers are:
 - Ensuring consumers can make an informed choice of digital receiver for access to digital terrestrial television service;
 - Putting in place necessary measures to ensure there is an acceptable level of competition in the relevant markets.
2. CC understands that the Government is working closely with the existing two terrestrial TV broadcasters, Asia Television Limited (ATV) and Television Broadcasts Limited (TVB), to ensure timely and smooth launching of digital TV in Hong Kong by 2007. The Telecommunications Authority (TA) has announced that National Standard¹, a digital terrestrial television (DTT) transmission standard, proposed by ATV and TVB, fulfills all the assessment criteria laid down by the Commerce, Industry and Technology Bureau (CITB). The Government is adopting it as the transmission standard of DTT broadcasting services in Hong Kong.
3. It is noted that the Government plans to set out a two-tier specification, basic-tier and higher tier, for DTT receivers to meet different deployment plans of the two terrestrial TV broadcasters. The basic-tier specification will enable the reception of standard definition television (SDTV) programmes coded in MPEG-2, including the four existing TV programme channels transmitted in digital format. For reception of all SDTV and HDTV programmes on the MFN and SFN multiplexes of ATV and TVB coded in either MPEG-2 or H.264, a higher-tier receiver is needed. The UK experience shows that there will be many kinds of kits or receivers that consumers can use to receive digital terrestrial television services including set top box, tuner digital TV recorder, integrated digital TV, PC TV card/adaptor and indoor aerial.
4. In CC's previous submission in response to the 1998 review, CC urged the Government to ensure that the technological co-operation between network owners and broadcasters so that consumers will not need different set top boxes and remote controllers for each network. It now appears that viewers have to differentiate between the two tiers of specification applicable to the two terrestrial TV broadcasters, and availability of many types of receivers may add to the confusion. CC suggests the Government to require mandatory labelling on all types of digital TV receivers. CC will be happy to assist in dissemination of

¹ The national standard announced by the Standardization Administration of China (SAC) in August 2006 named "GB 20600-2006: Framing Structure, Channel Coding and Modulation for Digital Television Terrestrial Broadcasting System".

information to consumers to help them make informed choices in their purchase of digital TV receivers.

5. In its previous submission, CC gave support to deferring introduction of DTT until after promulgation of the Mainland DTT standard. Adoption of the National Standard as the local DTT transmission standard will allow Hong Kong's television viewers, when ATV and TVB starts simulcast, to capture the potential benefit of the economies of scale in manufacturing television sets and associated equipments such as set-top boxes for the large Mainland market. Consumers can access a wide variety of more affordable consumer products and digital content, particularly high-definition television programmes and perhaps also quality digital content produced from Mainland producers. There is also potential for local licensees and operators to capture a larger market.
6. Consideration over what transmission standard to adopt has delayed the launching of digital terrestrial broadcasting in Hong Kong for some time. The way is now clear for the two terrestrial broadcasters to start producing high definition TV programmes and DTT broadcasting. CC urges the Government to monitor the development of the DTT market and the pace of DTT broadcasting, and to take necessary measures such as progress review at fixed intervals or introducing new competitor into the market to ensure there is an acceptable level of competition in the relevant markets to bring the benefits of DTT to consumers.

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