## 立法會 Legislative Council

LC Paper No. CB(1)2286/07-08 (These minutes have been seen by the Administration)

Ref: CB1/PL/ITB/1

### Panel on Information Technology and Broadcasting

## Minutes of meeting held on Tuesday, 10 June 2008, at 4:30 pm in Conference Room A of the Legislative Council Building

**Members present**: Hon Albert Jinghan CHENG, JP (Chairman)

Hon SIN Chung-kai, SBS, JP (Deputy Chairman)

Hon Fred LI Wah-ming, JP Hon Bernard CHAN, GBS, JP

Dr Hon Philip WONG Yu-hong, GBS Hon Howard YOUNG, SBS, JP Hon Emily LAU Wai-hing, JP

Hon Timothy FOK Tsun-ting, GBS, JP

Hon Albert CHAN Wai-yip Hon Ronny TONG Ka-wah, SC

**Members absent**: Dr Hon David LI Kwok-po, GBM, GBS, JP

Dr Hon LUI Ming-wah, SBS, JP

Hon Jasper TSANG Yok-sing, GBS, JP

Public officers attending

Agenda Item III

Mrs Rita LAU, JP

Permanent Secretary for Commerce and Economic

Development (Communications and Technology)

Mr Jeremy GODFREY

Government Chief Information Officer

Office of the Government Chief Information Officer

Mr Stephen MAK, JP

Deputy Government Chief Information Officer (Operation)

Office of the Government Chief Information Officer

Ms Linda SO

Deputy Government Chief Information Officer (Planning and Strategy)

Office of the Government Chief Information Officer

#### Agenda Item IV

Mrs Rita LAU, JP

Permanent Secretary for Commerce and Economic Development (Communications and Technology)

Mr Jeremy GODFREY

Government Chief Information Officer

Office of the Government Chief Information Officer

Mr Stephen MAK, JP

Deputy Government Chief Information Officer (Operation)

Office of the Government Chief Information Officer

Mr Alfred NG Chiu-wah

Assistant Government Chief Information Officer (Technology Management, Sourcing and Facilities Management)

Office of the Government Chief Information Officer

Mr Alex LEE Jee-yin

Chief Systems Manager (Technology Management, Sourcing and Facilities Management)

Office of the Government Chief Information Officer

## Agenda Items V and VI

Mr Alan SIU, JP

Deputy Secretary for Commerce and Economic Development (Communications and Technology)

Mr Kevin CHOI

Principal Assistant Secretary for Commerce and Economic Development (Communications and Technology)A

Mr Danny LAU

Assistant Director of Telecommunications (Operations)

**Clerk in attendance**: Ms YUE Tin-po

Chief Council Secretary (1)3

**Staff in attendance** : Mr Watson CHAN

Head (Research and Library Services)

Mr Thomas WONG Research Officer 4

Ms Annette LAM

Senior Council Secretary (1)3

Mr Simon CHEUNG Council Secretary (1)1

Ms May LEUNG

Legislative Assistant (1)6

#### Action

## I. Confirmation of minutes of meeting

(LC Paper No. CB(1)1722/07-08 -- Minutes of meeting held on 10 March 2008

LC Paper No. CB(1)1755/07-08(01) -- List of outstanding items for discussion

LC Paper No. CB(1)1755/07-08(02) -- List of follow-up actions)

The minutes of the meeting held on 10 March 2008 were confirmed.

## II. Information paper issued since last meeting and date of next meeting

2. <u>Members</u> noted that no information paper had been issued since the last meeting held on 13 May 2008.

Special meeting scheduled for 8 July 2008

3. <u>The Chairman</u> advised that upon members' request, a special meeting would be scheduled for Tuesday, 8 July 2008 at 4:30 pm to follow up on issues relating to the recent losses of portable electronic storage devices containing personal data held by government departments/public hospitals and online leakage

of confidential information held by the Immigration Department and the Police.

4. Pointing out that the issue had been discussed on 30 May 2008, Mr SIN Chung-kai was of the view that it was more practical for the Administration to report the matter to the Panel in the 2008-2009 legislative session, since not much new development would likely be made within a short period of time. The Chairman shared Mr SIN's view and said that it might be difficult to co-ordinate the attendance of various bureaux secretaries involved in the data leakage before the end of the current session. Ms Emily LAU and Mr Ronny TONG, however, were of the view that the special meeting should be held as scheduled. Mr Bernard CHAN said that he had no objection to holding the special meeting. Noting members' views, the Chairman instructed the Secretariat to arrange for the meeting.

(*Post-meeting note*: The Administration advised that the Secretary for Commerce and Economic Development would not be able to attend the special meeting scheduled for 8 July 2008, and that there was no further developments on issues relating to the recent personal data/online leakage. After consultation with some Panel members, the Chairman instructed that the special meeting on 8 July 2008 would not be held.)

### III. Progress report on the 2008 Digital 21 Strategy

(LC Paper No. CB(1)1755/07-08(03) -- Paper provided by the Administration

LC Paper No. CB(1)1755/07-08(04) -- Background brief prepared by the Legislative Council Secretariat)

## **Briefing by the Administration**

- 5. <u>Permanent Secretary for Commerce and Economic Development (Communications and Technology)</u> (PS(CT)) briefed members on the Administration's paper (LC Paper No. CB(1)1755/07-08(03)) which set out the major progress on the five action areas under the 2008 Digital 21 Strategy (the Strategy). She advised that after consultation with the Panel, views from stakeholders and the public would be sought to finalize the proposed Statements of Desired Outcome (SDOs) and identify quantifiable measures to keep track of the progress on the five actions areas.
- 6. The Chairman left the meeting at this juncture and Mr SIN Chung-kai, the Deputy Chairman, took the Chair.

## **Discussion**

Statements of Desired Outcome and meaningful outcome measurables

7. <u>Ms Emily LAU</u> considered the draft SDOs set out in Annex B to the Administration's paper too general and sought elaboration from the Administration.

She suggested that relevant data/statistics and the outcome/progress achieved for each of the five action areas should be set out side by side for easy comparison.

- 8. In reply, <u>PS(CT)</u> highlighted that the Administration had set out in the draft SDOs the general direction for the development of information and communication technology (ICT) in Hong Kong. Following consultation with the industry and the public, the Administration would seek to develop more concrete programmes in pursuit of the desired outcomes in each of the action areas. <u>The Government Chief Information Officer</u> (GCIO) supplemented that to ensure that specific programmes/measures could be designed in pursuit of the desired outcomes, it was imperative that the draft SDOs should have the endorsement of the Panel and the Digital 21 Strategy Advisory Committee as well as the support of the industry and the community. Following finalization of the SDOs with input from relevant parties, and based on the qualitative descriptions of the desired outcomes, quantifiable measures and benchmarks would be defined and set for future comparison.
- 9. In response to Ms LAU's enquiry about the implementation timetable, <u>PS(CT)</u> anticipated that the Administration would need about one year to finalize the SDOs, define meaningful outcome measures and compile baseline data/statistics for ongoing measurements and comparison. <u>PS(CT)</u> stressed that the action plans for the Strategy would be subject to ongoing review to ensure that they met the evolving needs of the community.
- 10. Noting that the Government spending on IT amounted to HK\$3.9 billion in 2006-2007 and that the spending in 2007-2008 was increased to HK\$4.7 billion, Ms Emily LAU enquired whether additional funding would be required for the proposed SDOs. In response, PS(CT) advised that no additional funding would be required for the related work. She clarified that the said expenditure included IT spending and new development projects in all Government departments/bureaux, Housing Authority, Hospital Authority and subvented schools.

#### Enhancing ICT adoption among Government departments and bureaux

11. Mr SIN Chung-kai said that despite the increase in the Administration's spending on IT in recent years due to improved fiscal position following years of economic recession, ICT adoption in Government departments/bureaux remained slow and passive. Given that ICT development was not the core business of departments/bureaux, measures to encourage the heads of departments/bureaux to actively implement ICT initiatives as means to improve efficiency in service delivery and reduce operating costs would be a major challenge of the Office of the Government Chief Information Officer (OGCIO). While appreciating that the enhancement of ICT development required the active participation of the entire community, including the ICT industry, the general public and Government departments/bureaux, Mr SIN urged the OGCIO to play the important enabling and facilitating role such as by proposing and developing ICT applications and e-business solutions to encourage wider use of ICT initiatives among Government departments/bureaux.

In response, PS(CT) advised that a high-level E-Government Steering 12. Committee led by the Financial Secretary was considering policy issues and formulating strategies for ICT development in Government departments/bureaux under the Strategy. The major role of the OGCIO in this regard was to coordinate efforts at different ends and to provide the requisite professional assistance to departments/bureaux to facilitate a smooth implementation of the established ICT <u>PS(CT)</u> said that there were adequate communication channels within the Administration on the formulation and implementation of ICT strategies. Through attendance at meetings with heads of departments/bureaux chaired by the Chief Secretary for Administration, and through collaboration with the IT staff of departments/bureaux, GCIO and his team could promote ICT policies and provide expert advice and technical assistance in facilitating their implementation of various ICT programmes. GCIO supplemented that through liaison with departments/bureaux to understand their business and policy objectives, OGCIO would help them identify appropriate ICT initiatives and applications, and appreciate how ICT development, computerization and integration of e-government into their overall operation could help to enhance operational efficiency, improve service delivery and achieve cost savings.

Access to broadband, pay and free TV services in some remote areas of Hong Kong

- 13. Mr SIN Chung-kai expressed concern that people living in some remote areas of Hong Kong were not able to access Internet broadband, pay and/or free TV services. While appreciating that under a free market mechanism, whether or not to provide a service was a commercial decision to be made by individual service provider, Mr SIN called on the Administration to coordinate with relevant parties to provide means to improve the provision of services in remote areas where there was no economic incentives in doing so.
- 14. <u>PS(CT)</u> took note of Mr SIN's concerns. On the provision of free TV services, she advised that free analogue terrestrial TV service was currently receivable by more than 99% of the population. With the completion of 22 relay stations by 2011, digital terrestrial TV coverage would be comparable to, if not better than, that provided by the existing free analogue TV service. To this end, the Administration and the two TV broadcasters would jointly conduct a detailed planning study to examine how the 22 digital relay stations should be located and deployed to yield maximum coverage of services soonest and farthest possible. As regards the provision of broadband and pay TV services in remote areas, <u>PS(CT)</u> stressed that while the Administration would appeal to service providers to take into account their corporate social responsibility when planning service coverage, the Administration had to respect the operators' commercial decisions and refrain from imposing conditions by way of administrative directives.

PC and Internet penetration rate of SMEs and digital inclusion

15. <u>Ms Emily LAU</u> expressed grave concern about the low PC and Internet penetration rate (59.8%) in respect of small enterprises set out in Annex B to the

Administration's paper (LC Paper No. CB(1)1755/07-08(03)). She enquired about the make up of small and medium enterprises (SMEs) in Hong Kong and urged the Administration to look into the causes of poor penetration rate for small business establishments in Hong Kong. In reply, GCIO said that according to the survey report published by the Census and Statistics Department in December 2007, there were all together 301,000 enterprises of different sizes in Hong Kong. Of these, 262,000 were small establishments engaging fewer than 10 employees, and 33,000 enterprises (except the manufacturing sector) were medium establishments engaging 10 to 49 employees. Citing the penetration rates for PC (62%), Internet (56%), broadband (44%) and web pages (23%) in Singapore, he noted that the relevant rates in Hong Kong (i.e. 59.8%, 56%, 53% and 14% respectively) were broadly comparable. He highlighted that small business enterprises might not need to gain access to the Internet because of their business nature. As such, a low PC and Internet penetration rate for small establishments might not necessarily indicate any IT-related problem. He advised that sector-specific e-business programmes had been conducted to enhance awareness and ICT capabilities of SMEs in targeted sectors. Nevertheless, the Administration would further examine the barriers to ICT adoption and make continued efforts to promote the wider use of ICT among SMEs.

- 16. Referring to the digital inclusion index of the six disadvantaged groups as set out in Annex A to the Administration's paper (LC Paper No. CB(1)1755/07-08(03)), Ms Emily LAU sought explanation on the low index for various groups, particularly that of the elderly at 0.27. Deputy Government Chief Information Officer (Operation) (DGCIO) explained that the index, which ranged from 1 to 0, indicated the relative degree of digital inclusion of various groups. A lower figure reflected a lower level of digital integration. He added that the six disadvantaged groups (i.e. the elderly, persons with disabilities and/or chronic illness, female homemakers, single parents, new arrivals and children of low-income families) had been identified as low in digital inclusion by a research team of the University of Hong Kong commissioned to conduct a focused study on barriers to ICT adoption. In this regard, a task force had been set up to formulate strategies and develop initiatives for enhancing digital inclusion for the disadvantaged groups identified.
- 17. Noting various ongoing initiatives undertaken, <u>Ms Emily LAU</u> called for additional measures to enhance ICT adoption among SMEs and the disadvantaged groups. <u>The Administration</u> undertook to update members on the initiatives and the progress of the implementation in due course.

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## IV. Progress update on the provision of Wi-Fi facilities at Government premises

(LC Paper No. CB(1)1755/07-08(05) -- Paper provided by the Administration)

#### Financial commitment

- 18. <u>Ms Emily LAU</u> noted that while a funding commitment of \$217.6 million was approved by the Finance Committee (FC) in May 2007, the estimated value of the service contract awarded to the successful bidder for the provision of the Government Wi-Fi (GovWiFi) programme for 5 years was only about \$110 million. She sought clarification as to why there was a significant difference between the estimated cost and the actual expenditure.
- 19. <u>PS(CT)</u> explained that the financial proposal was based on a professional assessment for the implementation of territory-wide free Wi-Fi service in Hong Kong. To ensure the prudent use of public fund, suitable terms and conditions were specified in the tender document to achieve value-for-money procurement by the Government resulting in very competitive tender prices. <u>DGCIO</u> referred to the detailed breakdown of the cost estimate submitted to FC and said that the tender price was close to the original estimate of \$125.6 million. According to the tender requirements, the service provider would provide the required hardware and software, system and network installation, implementation services as well as initial support and maintenance services during the implementation phase. In addition, expenditure would also be incurred for site preparation and publicity, etc. He undertook to report to the Panel the progress of the implementation of the Gov*WiFi* programme, including its financial status, on a regular basis.

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### **Patronage**

- 20. <u>Ms Emily LAU</u> noted that while the usage of Gov*WiFi* service was about 970 user connections on average per day, public libraries were the most popular venues for Wi-Fi users, accounting for about 860 user connections per day. She sought information on the low usage of the Wi-Fi service in other venues.
- 21. In reply, <u>DGCIO</u> pointed out that the GovWiFi service would be rolled out by two phases and the Phase 1 implementation of the programme was expected to be completed by end June 2008. He elaborated that having consulted premises operators, public libraries accounted for the major venues of Phase 1 of the programme in view that patrons of public libraries, who were likely to carry with them mobile devices such as notebook computers and personal digital assistants, would have a higher demand for wireless Internet access. In the Phase 2 implementation, more venues including sports centres and community halls, etc., would be covered.

#### <u>Information security</u>

22. <u>Mr Howard YOUNG</u> referred to a media report that in view of the potential security risk of the Wi-Fi service, one should refrain from performing e-banking or stock transactions in the Wi-Fi environment. In this connection, he was keen to find out how the network security of the Gov*WiFi* service compared with the Wi-Fi services provided by other service providers, such as those available in the Hong Kong International Airport.

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23. <u>DGCIO</u> said that all-round protection should be forged to forestall Internet threats. As such, in drawing up the GovWiFi programme, high standard of information security had been adopted. On the part of the service provider, it was required to implement security measures including firewall systems, filtering softwares and peer-to-peer blocking, etc. Regarding users, they were provided with two Wi-Fi connection options, i.e. encrypted and unencrypted connections, and advised to use the encrypted connection in order to better protect their privacy for transmitting sensitive information. On the performing of e-banking and stock transactions through GovWiFi, he advised that in addition to the above-mentioned safeguards, in general, other security precautions and measures were taken by the relevant web hosts with a view to safeguarding the interests of their users.

#### Health issue

- 24. <u>Ms Emily LAU</u> expressed concern about the impacts of radio frequency signals on human health, in particular school children, and questioned if the Administration would monitor the issue on an on-going basis.
- 25. While pointing out that school premises were not covered by the GovWiFi programme, DGCIO assured members that the Government attached importance in ensuring the promotion of Wi-Fi service would not jeopardize citizens' health. He advised that according to a research report sponsored by the World Health Organization (WHO) as well as findings of the random sample checks conducted by the Office of the Government Chief Information Officer (OGCIO) in sites installed with GovWiFi facilities, there was so far no evidence suggesting that the use of Wi-Fi facilities would adversely affect human health.
- 26. In reply to Ms Emily LAU's further enquiry, <u>DGCIO</u> advised that the research sponsored by WHO was conducted at general premises which were also applicable to school premises. Nevertheless, to protect public health, information about the health issue of Wi-Fi was available from www.gov.hk/wifi. <u>PS(CT)</u> added that although Gov*WiFi* facilities would not be installed in school premises and therefore measurement of radio frequency radiation level by OGCIO would not be conducted thereat, issues relating to the health of school children had all along been closely monitored by the Department of Health. The Department would take suitable measures, such as risk assessments, if any health warning was issued by WHO on adverse impacts of radio frequency signals on human health. On the number of venues installed with Wi-Fi facilities, she advised that the Administration did not maintain statistics in this regard.

#### The way forward

27. The Deputy Chairman noted that in addition to OGCIO, other Government departments, such as the Housing Authority, were also playing a role in the provision of wireless Internet access service. He requested OGCIO to co-ordinate a consolidated report on the progress made by relevant departments in the provision of the Wi-Fi service to the Panel in future.

Admin

28. <u>PS(CT)</u> replied that in taking forward initiatives to promote the wider use of wireless Internet access service, the Government was mindful to strike a careful balance between commercial and free Wi-Fi services. On the free Wi-Fi service provided in public rental housing (PRH) estates of the Housing Authority, she advised that estate management information was provided through the Housing Authority's Wi-Fi network to PRH tenants. She considered that other Government departments should ride on this concept and explore the feasibility of providing other value-added services in their initiatives to promote the wider use of the Wi-Fi service in Hong Kong. <u>PS(CT)</u> and <u>DGCIO</u> added that in addition to the development of Wi-Fi infrastructure, the Administration had spared no efforts in encouraging and facilitating the development of Wi-Fi applications to facilitate ubiquitous access to information, applications and services on the Internet by Hong Kong citizens.

## V. Research report on the regulation of radio broadcasting services in selected places

(LC Paper No. RP07/07-08

- Research report prepared by the Research and Library Services Division of the Legislative Council Secretariat
- LC Paper No. CB(1)1861/07-08 (tabled at the meeting and subsequently issued via e-mail on 11 June 2008)
  - -- Power-point presentation material on the regulation of radio broadcasting services in selected places prepared by the Research and Library Services Division of the Legislative Council Secretariat)

## Briefing by the Research and Library Services Division of the Legislative Council Secretariat

29. At the invitation of the Deputy Chairman, <u>Head of Research and Library Services Division (H(RL)) of the Legislative Council (LegCo) Secretariat</u> gave a power-point presentation on the findings of a research conducted on the regulation of radio broadcasting services. He said that to facilitate members' deliberation on the regulation of radio broadcasting in Hong Kong, a comparison was made among Hong Kong and four selected overseas places, namely Canada, the United States (US), the United Kingdom (UK) and Australia. Details of the findings were summarized in Chapter 6 and the Appendix to the Research Report issued to members vide LC Paper No. RP07/07-08.

#### Discussion

Review of the sound broadcasting licensing regime

- 30. Ms Emily LAU noted that most of the four selected countries covered in the research had their radio broadcasting policy or policy objectives set out explicitly in legislation and that all selected places had explicit statutory criteria to assess applications for radio broadcasting licences. As regards public participation in the licensing process, the Canadian approach required that a public hearing be held on an application for a radio broadcasting licence, while the US required that a file on the application be made available for inspection and Ms LAU expressed disappointment at the great comments by the public. discrepancy between Hong Kong's licensing mechanism and that of other advanced economies. Ms LAU noted that under the US licensing regime, the licensing authority (i.e. Federal Communications Commission) was directly responsible to and was required to make an annual report to the Congress, while the licensing authorities in Australia, Canada and the UK were required to report to the legislature through the responsible minister. Ms LAU criticized the lack of transparency and accountability in Hong Kong's licensing process, as the Chief Executive in Council (CE-in-Council) had unchecked powers to approve or reject a licence application and there was no provisions for appeal against the decision of the CE-in-Council. She called for an immediate review of the sound broadcasting licensing regime and the introduction of legislation to govern the licensing mechanism.
- 31. In response, Deputy Secretary for Commerce and Economic Development (Communications and Technology) (DSCED(CT)) thanked the LegCo Secretariat for conducting the research, saying that the findings would serve a useful reference for deliberation on the future development and regulation of radio broadcasting services in Hong Kong. He said that given Hong Kong's relatively small geographical size and its unique development background that was different from any other jurisdictions, it was natural that the mechanism of Hong Kong's broadcasting licensing regime was not the same as those of other economies in some aspects. On broadcasting policy, DSCED(CT) explained that the Government had set clear policy objectives to encourage diversity of broadcasting services that catered for diversified tastes and interests of the community, and also to ensure that the broadcasting services were up to public expectations and did not offend public tastes and decency. The Telecommunications Ordinance (Cap. 106) and the Broadcasting Ordinance (Cap. 562) had clear stipulations restricting voting control of a domestic free television programme service licensee by persons not ordinarily resident in Hong Kong, so as to ensure that broadcasting services remained in the hands of persons who were ordinarily resident in Hong Kong and thus more likely to cater for the interests of Hong Kong audience. The ordinances also had clear restrictions on cross media ownership to minimize build-up of monopoly of the media and editorial uniformity. As regards application for a sound broadcasting licence, <u>DSCED(CT)</u> pointed out that to enhance transparency and ensure fairness, new administrative arrangements had been introduced to include an element of public engagement in the licensing process. Under the

arrangements, details of the application would be released to enable the public or any interested parties to submit their views to the Broadcasting Authority (BA). The BA's views would also be presented to the applicant, who could then make representations in respect of the BA's analysis and recommendations. Citing the handling of a recent application for a sound broadcasting licence as an example, DSCED(CT) highlighted that an established mechanism had been in place for the Administration to inform LegCo and the public of the decisions of the CE-in-Council by way of a Legislative Council brief and press release. On the development of public access channels and community radio, DSCED(CT) said that the matter would be examined in detail in the context of the review of public service broadcasting. At present, channels were open for the public to express their views, including criticisms against the Government. In fact, the existing three publicly-funded and commercial radio stations together had provided programmes including talk-shows of not less than 340 hours per week or 48 hours per day. On the development of digital audio broadcasting in Hong Kong, he recapped that frequency spectrum in Band III and L Band had been made available since year 2000 for the development of digital broadcasting. However, market response had not been positive and no operators had indicated interests in conducting technical trial test or providing digital services. Referring to the proposed spectrum allocation for mobile television (TV) services whereby at least 50% of the transmission capacity should be used to carry mobile TV content and the remaining capacity for other ancillary services including digital audio broadcasting and data-casting, DSCED(CT) highlighted that it was the Government's intention to take the opportunity of developing mobile TV services to also facilitate the roll out of digital audio broadcasting.

32. Ms Emily LAU did not subscribe to the Administration's views. She maintained that the current degree of transparency and accountability was far from satisfactory and called for an early review of the sound broadcasting licensing regime. She expressed her view that the future licensing authority should be made accountable to the legislature and the public; and that a public hearing in respect of a licence application for the public to express their views should be included in the licensing process. DSCED(CT) noted Ms LAU's suggestion and said that as the appeal on the magistrate's constitutionality ruling arising from the incident on unlicensed broadcast by Citizens' Radio was underway, it was not appropriate for the Administration to make any comment on the mechanism of the licensing regime and the jurisdiction of the licensing authority.

Secretariat 33. <u>The Panel</u> agreed to include the item on the "List of outstanding items for discussion" for follow-up in the 2008-2009 legislative session.

# VI. Coverage and availability of domestic free and/or pay television programme services

(LC Paper No. CB(1)1755/07-08(06) -- Paper provided by the Administration)

## Briefing by the Administration

34. At the invitation of the Deputy Chairman, <u>DSCED(CT)</u> briefed members on the Administration's paper (LC Paper No. CB(1)1755/07-08(06)) which set out the current coverage of domestic free TV programme service, digital terrestrial television (DTT) service, domestic pay TV service, and the Government's plan of extending the service to areas of poor analogue television reception.

#### Discussion

- Mr SIN Chung-kai enquired about the number of set-top boxes sold so far 35. and whether the Administration would conduct any study to ascertain the DTT penetration rate. Assistant Director of Telecommunications (Operation) (AD of T(O)) said that as at end May 2008, about 100,000 set-top boxes had been sold. This figure did not include the integrated TV sets. He anticipated that the sale of set-top boxes would continue to pick up in the coming few months before Beijing Olympics 2008. Principal Assistant Secretary for Commerce and Economic Development (Communications and Technology)A (PAS(CT)A) supplemented that the Administration would, in conjunction with the Television Broadcasts Limited (TVB) and the Asia Television Limited (ATV), conduct a market survey on DTT penetration on the basis of sales information from electrical appliances merchants associations and opinion poll. He said that information on the DTT penetration rate would be useful for future planning on further extending DTT coverage and the eventual analogue switch-off. DSCED(CT) further advised that to enable more people to enjoy viewing of the 2008 Beijing Olympics with DTT, ATV and TVB had brought forward from end 2008 to early August 2008 their target date to complete construction of six additional transmitting stations that would extend digital coverage to 75% of the population. He said that soft launch had commenced in July 2008 and the Administration, in collaboration with the two broadcasters, would step up publicity to disseminate DTT-related information and encourage DTT up-take through various channels.
- 36. In response to Mr SIN Chung-kai's enquiry on the feasibility of installing a central decoder in the In-Building Coaxial cable Distribution System for converting the DTT signals to analogue signals for distribution to the premises in the building, AD of T(O) and PAS(CT)A advised that such decoding arrangement would disable some attractive features of DTT services such as high definition quality of DTT programmes and interactive TV services. Moreover, users of such central decoder might infringe the copyrights of the two broadcasters.

## VII. Any other business

37. There being no other business, the meeting ended at 6:00 pm.

Council Business Division 1
<u>Legislative Council Secretariat</u>
9 September 2008