

立法會
Legislative Council

LC Paper No. CB(1) 1185/10-11
(These minutes have been seen
by the Administration)

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Panel on Information Technology and Broadcasting

Minutes of meeting
held on Friday, 10 December 2010, at 10:45 am
in Conference Room B of the Legislative Council Building

- Members present** : Hon WONG Yuk-man (Chairman)
Dr Hon Samson TAM Wai-ho, JP (Deputy Chairman)
Hon CHAN Kam-lam, SBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon WONG Ting-kwong, BBS, JP
Hon Ronny TONG Ka-wah, SC
Hon Cyd HO Sau-lan
Hon IP Kwok-him, GBS, JP
- Members absent** : Hon LAU Kong-wah, JP
Hon Emily LAU Wai-hing, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon LEE Wing-tat
Hon Mrs Regina IP LAU Suk-yea, GBS, JP
- Public officers attending** : Agenda item IV
Miss Elizabeth TSE, JP
Permanent Secretary for Commerce and Economic
Development (Communications and Technology)

Mr Alan SIU, JP
Deputy Secretary for Commerce and Economic
Development (Communications and Technology)

Ms Ida LEE
Principal Assistant Secretary for Commerce and
Economic Development (Communications and
Technology)B

Miss Eliza LEE, JP
Director-General of Telecommunications

Mr SO Tat-foon
Assistant Director of Telecommunications
(Operations)

Mr MA Po-ho
Chief Telecommunications Engineer (Advisory and
Spectrum Management)
Office of the Telecommunications Authority

Agenda item V

Miss Elizabeth TSE, JP
Permanent Secretary for Commerce and Economic
Development (Communications and Technology)

Mr Alan SIU, JP
Deputy Secretary for Commerce and Economic
Development (Communications and Technology)

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

**Attendance by
invitation** : Agenda item V

Radio Television Hong Kong

Mr Franklin WONG
Director of Broadcasting

Mr Gordon LEUNG, JP
Deputy Director of Broadcasting

Mr TAI Keen-man
Assistant Director of Broadcasting (Radio)

Clerk in attendance : Ms YUE Tin-po
Chief Council Secretary (1)3

Staff in attendance : Ms Annette LAM
Senior Council Secretary (1)3

Ms May LEUNG
Legislative Assistant (1)6

Action

I. Confirmation of minutes of meeting

(LC Paper No. CB(1)488/10-11 -- Minutes of meeting held on
15 October 2010)

The minutes of the meeting held on 15 October 2010 were confirmed.

II. Information papers issued since the last meeting

(LC Paper No. CB(1)421/10-11(01) -- Broadcasting Authority's
(Chinese version only) response to the submission
from Mr Stephen SHIU on
unfair competition in
free-to-air television and
Broadcasting Ordinance

LC Paper No. CB(1)452/10-11(01) -- Submission from Mr David
(English version only) WEBB on Hong Kong
Identity Card system and
Smart ID Card

LC Paper No. CB(1)503/10-11(01) -- Press release on a new
building registration scheme
to promote the installation of
optical fibre-based
broadband access network in
buildings issued by the

Office of the
Telecommunications
Authority on 17 November
2010

LC Paper No. CB(1)682/10-11(01) -- A letter from the Secretary for Commerce and Economic Development regarding new developments of Radio Television Hong Kong)

2. Members noted that the above papers had been issued for the Panel's information.

III. Date of next meeting and items for discussion

(LC Paper No. CB(1)657/10-11(01) -- List of outstanding items for discussion

LC Paper No. CB(1)657/10-11(02) -- List of follow-up actions)

3. Members noted that the next regular Panel meeting would be held on Monday, 10 January 2011 at 2:30 pm to discuss the following items:

- (a) Update on digital terrestrial television;
- (b) Update on work of Create Hong Kong; and
- (c) New hosting infrastructure for e-Government services.

4. The Chairman referred members to the letter from the Secretary for Commerce and Economic Development regarding new developments of Radio Television Hong Kong (RTHK) (LC Paper No. CB(1)682/10-11(01) issued on 6 December 2010). Ms Cyd HO suggested and members agreed that the item "New initiatives of RTHK" (item 17 on the "List of outstanding items for discussion") should be included in the agenda for the Panel meeting scheduled for 14 February 2010. Members also agreed to invite representatives of RTHK and its newly formed Board of Advisors to the meeting.

IV. Spectrum Utilization Fee

(LC Paper No. CB(1)657/10-11(03) -- Administration's paper on Spectrum Utilization Fee for spectrum assigned administratively

LC Paper No. CB(1)722/10-11(01) -- Administration's paper on Spectrum Utilization Fee for spectrum assigned administratively (power-point presentation materials))
(tabled at the meeting and subsequently issued via e-mail on 13 December 2010)

Presentation by the Administration

5. At the invitation of the Chairman, the Permanent Secretary for Commerce and Economic Development (Communications and Technology) PSCED(CT) briefed members on the proposed introduction of Spectrum Utilization Fee (SUF) for spectrum administratively assigned to non-Government users. She highlighted that the Administration did not seek to raise revenue by proposing the SUF charging scheme. The main purpose of the proposed SUF was to promote spectrum efficiency by encouraging spectrum users to deploy the spectrum assigned to them in a more economically, socially and technically efficient manner.

6. With the aid of power-point, Chief Telecommunications Engineer (Advisory and Spectrum Management) of the Office of the Telecommunications Authority (OFTA) briefed members on the salient points of the proposed SUF charging scheme, including the principles for setting SUF for administratively assigned spectrum, the congested frequency bands that would be subject to SUF, the implementation arrangements, and the impact on the industry and consumers. Details of the proposal and the issues under consultation were set out in the Administration's paper (LC Paper No. CB(1)657/10-11(03) and power-point material (LC Paper No. CB(1)722/10-11(01))). Members noted that the Commerce and Economic Development Bureau (CEDB) and OFTA had launched a three-month consultation on 26 November 2010 to seek the views of the public and the industry. The Administration would carefully consider and take into account the views received during the consultation in deciding the way forward.

Discussion

The effectiveness of the proposed charging scheme and the level of SUF

7. Dr Samson TAM supported in principle the proposed introduction of the SUF for administratively assigned spectrum for non-Government use. He said that it would be fair for commercial users of administratively assigned spectrum to pay for using the scarce public resource. Referring to the least cost alternative (LCA) approach in setting the SUF (i.e. the difference between existing cost and the cost of the lowest priced alternative), he was concerned whether all the current users affected by the application of the SUF would have other means of providing their services.

8. In response, the Director-General of Telecommunications (DG of T) said that the level of SUF was set to reflect the opportunity costs of the spectrum. On the basis of the LCA approach, the proposed SUF charges for the eight congested frequency bands (allocated for fixed links, Electronic News Gathering/Outside Broadcast links and satellite links) had been worked out and set out in the consultation paper for comments by the industry and the public.

9. Dr Samson TAM noted that the total amount of SUF collected annually was estimated to be around \$10 million. He was concerned whether the administrative cost of implementing the SUF charging scheme would be even higher than the SUF payment collected if the whole or part of the spectrum was returned within the two-year grace period.

10. DG of T replied that the \$10 million SUF payment, projected to be received in full amount in the fifth year after the launch of the scheme, was worked out basing on the assumption that the affected spectrum users did not seek to migrate to other less congested spectrum or to other means of providing their services, and that no spectrum was returned to the Administration for re-assignment. She reiterated that the proposed charging scheme was not revenue-driven and the objective was to encourage spectrum users to put spectrum assigned to them to efficient use, and to review their spectrum requirements so that surplus spectrum at congested bands could be returned to OFTA for re-assignment to other potential users.

11. Dr Samson TAM asked whether there would still be a need to impose an SUF should the frequency band subsequently become non-congested after spare spectrum was returned by some users. DG of T said that based on the recommendations of the consultant, SUF would apply only to administratively assigned spectrum which was congested (i.e. at least 75% occupied) and anticipated to become more congested with increase demand in

the coming few years. The frequency bands that were subject to SUF and the level of SUF would be reviewed every five years to take into account the changing trends of spectrum utilization and to keep pace with the rapidly changing technological landscape in the telecommunications industry.

12. Mr CHAN Kam-lam enquired about the rationale of the two-year grace period. He expressed concern whether the affected spectrum users, particularly new businesses, would have sufficient time to identify alternative means of delivering services. DG of T advised that all the users affected, which included mainly telecommunications carrier licensees, television broadcasters, utility companies and satellite uplink operators, were those that had been in operation for many years. To allow a reasonable period for spectrum users to adjust their spectrum usage, a grace period of two years was proposed for the spectrum users to evaluate their spectrum use and to consider whether they would continue to use the spectrum with the proposed SUF after two years or to return all or part of the spectrum before the introduction of SUF. No SUF would be charged during the two-year grace period. Thereafter, a three-year phase-in arrangement for the payment of SUF (with 30% of the SUF applied at the beginning of the third year, 70% at the beginning of the fourth year, and moving on to the full payable amount for the fifth year and beyond) would apply. Such arrangement would minimize the possible adverse impact on licensees.

13. Mr CHAN Kam-lam enquired about the impact on consumers in the event the SUF cost was passed onto the end users. In response, DG of T said that 24 users with spectrum assignments in the eight identified congested frequency bands would have to pay SUF in accordance with their usage. The amount constituted only a small portion of the operating expenditure of the concerned companies. Using the financially most affected company as illustration, should it pass on the cost of SUF in full to end consumers, the impact on the consumers should be minimal in the range of about 8 cents per month. The Chairman commented that given the small amount involved, the concerned companies should not pass on the cost of SUF to end consumers.

14. Mr IP Kwok-him asked whether there were cases of inefficient utilization of congested frequency bands that were administratively assigned. While he supported in principle the introduction of SUF as a tool to promote spectrum efficiency, he doubted whether the level of the SUF and the proposed financial incentive would be effective in achieving the intended purpose of encouraging users to return the spectrum. He said that given the small sum involved, the existing spectrum users might prefer paying the SUF to continue holding the spectrum so as to bar new comers from entering the market. He opined that it might be more effective to exempt users of high

usage from SUF payment while charging users of low usage a higher SUF.

15. DG of T said that the proposal was a first step towards introducing a mechanism to encourage spectrum users of congested bands that were administratively assigned to review their usage requirement. The LCA approach was commonly used by other advanced economies such as the United Kingdom and New Zealand, and had proved successful in promoting spectrum efficiency. The charging scheme and the related arrangements would be reviewed in the light of market situation.

16. Ms Cyd HO expressed concern that spectrum which was a scarce public resource would be monopolized by big financial conglomerates through auction. She said that while a low SUF might not serve to address the problem of spectrum hoarding and monopolization, the operators might pass the cost of a high SUF to end consumers. She opined that apart from imposing a payment, the Administration should include public interest and social responsibility in the conditions of use.

17. In reply, PSCED(CT) and DG of T explained that in accordance with the Radio Spectrum Policy Framework issued in April 2007, SUF would in principle be applicable to all non-government uses of spectrum. Mobile network operators running public mobile communications services were already required to pay an SUF determined by auction or other market means. However, no SUF was applicable at present to spectrum that was administratively assigned to other non-Government users. The purpose of the present consultation was to seek the views of the industry, the public and Panel members on the principles of applying SUF to the use of spectrum in congested frequency bands that were administratively assigned.

V. Media Asset Management of Radio Television Hong Kong

(LC Paper No. CB(1)657/10-11(04) -- Administration's paper on Media Asset Management system for Radio Television Hong Kong

LC Paper No. CB(1)657/10-11(05) -- Paper on Media Asset Management of Radio Television Hong Kong prepared by the Legislative Council Secretariat (background brief)

LC Paper No. CB(1)722/10-11(02) -- Administration's paper on
*(tabled at the meeting and subsequently issued via e-mail on
13 December 2010)* Media Asset Management
System for Radio Television
Hong Kong (power-point
presentation materials))

Presentation by the Administration

18. Following a brief introduction by the PSCED, the Assistant Director of Broadcasting (Radio) of Radio Television Hong Kong (AD(R)/RTHK) gave a power-point presentation on RTHK's plan to establish a Media Asset Management (MAM) system to preserve its programme archives. Members noted that funding would be earmarked in the estimates for RTHK to embark on the MAM project starting from the 2011-2012 financial year to restore archive materials at risk, digitize the most valuable portion (about 25%) of RTHK's archives, and provide specialized storage for the archive materials to facilitate easy access and retrieval.

Discussion

Digitization and the safekeeping of archive materials

19. Mr CHAN Kam-lam enquired about the reprovisioning of the new Broadcasting House, and expressed concern about the proper storage and the safekeeping of RTHK's rich archive of audio materials and TV productions during the interim period until the commissioning of the new Broadcasting House. He said that proper storage facilities were essential to protect and preserve the new and old productions of RTHK which were important assets of the Hong Kong society.

20. The Director of Broadcasting (D of B) said that the materials that would not be digitally archived for the time being would be properly stored. RTHK management was actively locating suitable premises with appropriate temperature, humidity and dust control for the safekeeping of the archive materials. He said that the Government had designated Tseung Kwan O Area 85 as the site for the development of the new Broadcasting House. The new site, which was larger than the original one and had less development constraints, would substantially reduce construction difficulties. The Chairman informed the meeting that as far as he was aware, the Government planned to complete the technical feasibility study of the new Broadcasting House project around the first half of 2011.

21. Dr Samson TAM urged the RTHK management to expedite the digitization of the archive materials. He also called on the management to

draw up a long-term policy in respect of the safekeeping and disposal of the original copy of the digitized files. He suggested that instead of keeping the original copies for an indefinite period of time, selected items of public interest should be donated to the museums for display for public enjoyment.

22. In response, AD(R)/RTHK said that to safeguard against damage of the digital copy, it was established industry practice to continue keeping the original copy after the content therein had been digitized. Some of the 16mm films would be presented to the Hong Kong Film Archive while some selected items would be transferred to the Government Records Office. The RTHK management would draw up a long-term policy and regularly review its archive to determine the priority and the extent of digitization.

23. Dr Samson TAM asked whether the design of the RTHK MAM system had made reference to and was compatible with the MAM systems of overseas broadcasters such as the British Broadcasting Corporation and the China Central Television. D of B and AD(R)/RTHK replied that with reference to overseas experience, the MAM consultants had held discussions with frontline production staff to design a MAM system that would support the needs of users of different departments in RTHK through a system analysis and design study. The consultancy was still on-going and was expected to be completed by second quarter of 2011.

24. Ms Cyd HO noted that only about 25% of the total pool of materials regarded as the most valuable portion of RTHK's archive would be digitized. She enquired about the basis for setting 25% as the target for digitization and by whom the audio visual materials were determined as the most valuable materials for the purpose of digitization. She said that in addition to television dramas, library shots, school programmes, recorded music, radio dramas, Cantonese and Mandarin songs, as well as Chinese operas mentioned in paragraph 6 of the Administration's paper (LC Paper No. CB(1)657/10-11(04)) identified as worth transforming into digital format for preservation, RTHK also had a rich archive of photos, sound recordings and video footages of important historical events such as video of Legislative Council meetings since 1984, speeches of prominent political figures and ex-Governors of Hong Kong, photos and footages of the 1967 riot, strike of sailors, super typhoons, great fires and landslides that were of great historical values. She was gravely concerned whether these important assets which reflected the social and political development of Hong Kong would be selectively screened out in the process of digitization. She opined that the Government should provide RTHK with sufficient resources and manpower to digitize its archive expeditiously so as to avoid loss of records due to aging. In addition to RTHK staff, the assistance of historians and archive expertise should be enlisted in determining the materials to be digitized and to advise

on proper storage. In this connection, she asked whether there was any future plan to digitize the remaining 75% of the archive materials.

25. In response, D of B said that staff of different departments had been consulted on the digitization, and a task force had been set up to draw up the criteria for selecting the materials to be digitized. He highlighted that there was no political censorship to screen out politically sensitive issues, and that art, culture, music and footages of important historical and social events would be preserved. AD(R)/RTHK referred to paragraph 3 of the Administration's paper (LC Paper No. CB(1)657/10-11(04)) and said that raw footages, photos, sound recordings and video footages of important events, characters, etc which formed an important part of Hong Kong's precious cultural heritage and people's collective memories would be preserved. Reference had been made to the percentage of digitization of overseas broadcasters which ranged from 1 to 25%. Having gone through all the archive materials, RTHK colleagues generally considered 25% as an appropriate and reasonable target for digitization. He further said that although about 25% of the total pool of materials would be digitized for storage in the MAM system, the original copy of all productions, sound recordings and archive materials would continue to be put in proper storage. He reiterated that RTHK would arrange for the materials that would not be digitally archived for the time being to be properly stored, and would regularly review the need for those to be digitized and the capacity for doing so.

26. The Chairman suggested that a comprehensive archive index/catalogue should be compiled for easy reference, access and retrieval by the public, professional media producers, universities and researchers. He said that RTHK's rich archive of over 80 years of audio records and more than 30 years of TV productions was of high historical and cultural values. He urged RTHK to cooperate with the media and communications centre of the universities, such as the Journalism and Media Studies Centre of the University of Hong Kong (HKU), to make good use of the archive materials for academic studies and historical research.

27. In response, AD(R)/RTHK said that in collaboration with some commercial publishers, publications on pop music (《香港粵語唱片收藏指南》— 粵語流行曲) and Cantonese opera (《香港粵語唱片收藏指南》— 粵劇粵曲歌壇), and Governors Recordings (《最後六任港督的聲音——就職、施政、離任》) were published. There were also plans to cooperate with HKU to put RTHK radio and television (TV) programmes relating to the history of Hong Kong on the web, and to undertake a study of the music and songs of the late Mr James WONG, a famous deceased Hong Kong composer.

Funding and manpower

Admin

28. In response to Ms Cyd Ho's enquiry about the details of the funding and manpower earmarked for the MAM system, PSCED(CT) said that the Government would set aside resources in the next five years starting from the 2011-2012 financial year for the MAM system to preserve Hong Kong's public broadcasting heritage and make it available for use by the public and the industry. Details on the expenditures would be set out in the coming estimates for RTHK. Ms Cyd HO requested the Administration to provide the Panel with details of RTHK's submission to the CEDB on the funding and manpower requirements for the MAM project.

Other issues

29. Referring to the discontinuation of the popular TV programme "Headliner", Ms Cyd HO expressed grave concern about political censorship. She queried why the broadcast of the programme was reduced from 52 episodes each year to only 10 episodes in 2010. In response, D of B said that the "Headliner", the only political satire programme, was much treasured by the RTHK management. Same as other programmes, regular reviews were held with the production team concerned to seek improvements. The programme had about 30 episodes each year. After the first series of 10 episodes, the broadcast of the second series production would resume in April 2011. He added that in general, the number of episodes and the scheduling of related programme were matters to be determined by the programme producer and the TV Administration of RTHK; and subsequently to inform Television Broadcasts Limited and Asia Television Limited the overall broadcasting schedules for operation need. D of B dispelled rumors about discontinuing the programme and replacing the concerned programme hosts, and stressed that being the head of RTHK, he had steadfastly upheld the principles of impartiality and editorial independence, and had never exerted any undue influence on the programme content and production.

VI. Any other business

30. There being no other business, the meeting ended at 12:33 pm.