

立法會
Legislative Council

LC Paper No. CB(1)2465/11-12
(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, 11 June 2012, at 2:30 pm
in Conference Room 2B of the Legislative Council Complex

Members present : Hon WONG Yuk-man (Chairman)
Dr Hon Samson TAM Wai-ho, JP (Deputy Chairman)
Hon LAU Kong-wah, JP
Hon Emily LAU Wai-hing, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon LEE Wing-tat
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon WONG Ting-kwong, BBS, JP
Hon Ronny TONG Ka-wah, SC
Hon Cyd HO Sau-lan

Members absent : Hon CHAN Kam-lam, SBS, JP
Hon IP Kwok-him, GBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP

Public officers attending : Agenda item IV
Mr Joe WONG, JP
Permanent Secretary for Commerce and Economic
Development (Communications and Technology)
(Acting)

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

Miss Eliza LEE, JP
Director-General of Communications

Mr HA Yung Kuen
Deputy Director-General of Communications
(Telecommunications)

Mr Kingsley YEUNG
Head, Market & Competition 2
Office of the Communications Authority

Agenda Item V

Mr Joe WONG, JP
Permanent Secretary for Commerce and Economic
Development (Communications and Technology)
(Acting)

Mr Daniel LAI, BBS, JP
Government Chief Information Officer

Mr Victor LAM
Deputy Government Chief Information Officer
(Consulting and Operations)

Miss Joey LAM Kam-ping, JP
Deputy Government Chief Information Officer
(Policy and Customer Service)

Mr W P TSE
Chief Systems Manager (Business Transformation)
Office of the Government Chief Information
Officer

Agenda Item VI

Mr Gregory SO, JP
Secretary for Commerce and Economic
Development

Mr Joe WONG, JP
Permanent Secretary for Commerce and Economic
Development (Communications and Technology)
(Acting)

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

**Attendance by
invitation** : Agenda Item VI

PCCW Limited

Mr Stuart CHIRON
Head of Group Regulatory Affairs

Ms Janice LEE
Managing Director
TV & New Media

City Telecom (HK) Limited

Mr Simon LEUNG
Head of Legal

Mr Ken YIU
Senior Regulatory Affairs Manager

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

Staff in attendance : Mr Joey LO
Senior Council Secretary (1)3

Ms May LEUNG
Legislative Assistant (1)3

I. Confirmation of minutes of meeting

(LC Paper No. CB(1)2000/11-12 -- Minutes of meeting held on 12 March 2012)

The minutes of the meeting held on 12 March 2012 were confirmed.

II. Information paper issued since the last meeting

2. Members noted that no paper had been issued since the last regular meeting held on 14 May 2012.

III. Date of next meeting and items for discussion

(LC Paper No. CB(1)2064/11-12(01) -- List of outstanding items for discussion

LC Paper No. CB(1)2064/11-12(02) -- List of follow-up actions)

3. Members noted that the next regular Panel meeting would be held on Tuesday, 10 July 2012 at 8:30 am to discuss the following items:

- (a) Facilitating a digital economy under the Digital 21 Strategy;
- (b) Information security; and
- (c) Briefing by the Secretary for Technology and Communications.

(Post-meeting note: With the concurrence of the Chairman, the next regular meeting was subsequently rescheduled to 10:45 am on 10 July 2012. Item (c) would be deferred to a future meeting of the next LegCo term.)

IV. Progress update on the introduction of Customer Complaint Settlement Scheme

(LC Paper No. CB(1)2064/11-12(03) -- Administration's paper on Customer Complaint Settlement Scheme for the telecommunications industry

LC Paper No. CB(1)2064/11-12(04) -- Paper on Customer Complaint Settlement Scheme prepared by the Legislative Council Secretariat (updated background brief)

LC Paper No. CB(1)2134/11-12 -- Administration's paper on Customer Complaint Settlement Scheme for the telecommunications industry (power-point presentation material))
(tabled at the meeting and subsequently issued via email on 11 June 2012)

Presentation by the Administration

4. At the invitation of the Chairman, Permanent Secretary for Commerce and Economic Development (Communications and Technology) (Acting) (PSCED(CT)(Atg)) and Head, Market & Competition 2, Office of the Communications Authority (HMC2(OFCA)) briefed members on the way forward for the Customer Complaint Settlement Scheme (CCSS) for the telecommunications industry. HMC2(OFCA) gave a power-point presentation on the detailed initiatives. Details of the briefing and presentation were set out in the Administration's papers (LC Paper Nos. CB(1)2064/11-12(03) and CB(1)2134/11-12).

Discussion

Scope of CCSS

5. Mr WONG Ting-kwong expressed support for the implementation of a sustainable CCSS for the telecommunications industry. Noting that the CCSS would primarily cover deadlock cases of billing disputes between residential/personal customers and telecommunications service providers, Mr WONG suggested that the scope of CCSS be extended to cover complaints about unsolicited person-to-person marketing calls from telecommunications service providers to residential/personal customers.

6. Director-General of Communications (DG Com) advised that the CCSS sought to resolve disputes through mediation, which was considered most effective in resolving billing disputes. Other types of disputes, including those relating to service quality and contract terms as well as person-to-person marketing calls in the telecommunications sector, would be more effectively addressed by the issuance of guidelines and codes of

practice for compliance by the telecommunications service providers. In this regard, the Communications Association of Hong Kong (CAHK), an industry association of the telecommunication sector, had issued the “Code of Practice for Telecommunications Service Contracts” to improve the clarity of provisions in the telecommunications service contracts. Under the "Benchmark Code of Practice on Person-to-Person Marketing Calls" issued by CAHK, telecommunications service providers were restricted from calling during certain hours of the day, and were required to accept unsubscribe requests made by the called parties.

7. In response to Ms Emily LAU's enquiry about complaint categories, disputed amount on billing disputes, and overseas experience in implementing similar schemes, DG Com advised that complaints about the quality of customer service and the disputes on service termination were not included in the complaint categories shown in the power-point presentation. Complaints relating to billing disputes rose sharply from 936 cases in 2009 to 1 757 in 2010 as a result of unintentional or inadvertent use of mobile data services by customers when smart phones became increasingly popular. With increased effort in customer education, the number of billing disputes declined by 30% to 1 171 in 2011. In 2011, nearly 90% of the billing disputes involved an amount of less than \$5,200. Around one-fourth of the billing disputes involved an amount of less than \$200. Reference had been made to the experience in implementing similar schemes in Australia, New Zealand and the United Kingdom, which handled around 200 000 cases a year. In response to Ms Emily LAU's request, DG Com undertook to provide a breakdown by major categories and percentages of consumer complaints about telecommunications services during the period from 2009 to 2011.

(Post-meeting notes: The information provided by the Administration was issued to members vide LC Paper No. CB(1)2418/11-12(01) on 31 July 2012.)

Fees level

8. Dr Samson TAM expressed support for the CCSS as the outcome of the adjudicated cases conducted under the 18-month pilot programme from September 2008 to February 2010 had indicated a fairly balanced result, which suggested that it was not mainly the customer or the telecommunications service provider who was culpable. To encourage more customers to use the service, he suggested that the application fee of \$100 should be reviewed, and customers should be allowed to make verbal instead of written representations to the CCSS.

9. DG Com advised that as public resource was incurred in operating the CCSS, it would minimize submission of wholly unmeritorious claim and possible abuse by requiring the customer to pay a reasonable amount of fee. Other similar assistance schemes for customers such as the Consumer Legal Action Fund also required the customers to pay an application fee of at least \$100.

Quota of cases to be handled

10. Mr Andrew LEUNG declared that he was a Director of Wharf T&T Limited, one of the respondents to the former Telecommunications Authority's consultation exercise on CCSS. Noting the small number of cases handled under the pilot programme, he enquired about the Administration's plan to deal with more telecommunications complaints under the CCSS.

11. DG Com advised that unlike the pilot programme, which was conducted on a managed and restricted basis with the participation of three operators, the voluntary CCSS would be operated on a much larger scale with participation of all the major telecommunications service providers and for referrals for handling billing disputes by residential/personal customers. In addition, unlike the pilot programme which adopted a two-stage approach comprising mediation and adjudication, the CCSS would follow a one-stage mediation approach which would be more cost-effective and flexible. To promote public awareness of the CCSS, OFCA would collaborate with the Consumer Council, and provide information about the CCSS in the websites of the OFCA and the telecommunications service providers.

V. Progress update on the e-Government development

(LC Paper No. CB(1)2064/11-12(05) -- Administration's paper on progress update on e-Government development

LC Paper No. CB(1)2064/11-12(06) -- Paper on e-Government development prepared by the Legislative Council Secretariat (updated background brief))

Presentation by the Administration

12. At the invitation of the Chairman, Permanent Secretary for Commerce and Economic Development (Communications and Technology) (Acting)

(PSCED(CT)(Atg)) and Government Chief Information Officer (GCIO) briefed members on the latest progress on e-Government development, and the initiatives to support Bureaux/Departments to achieve their policy objectives and initiatives through wider and better adoption of information technology. Details of the briefings were set out in the Administration's papers (LC Paper No. CB(1)2064/11-12(05)).

Discussion

Electronic public service

13. In response to Dr Samson TAM's enquiry about whether there was a centralized electronic database for Hong Kong residents to change their address information at multiple Government departments upon moving office or residence, Deputy Government Chief Information Officer (Consulting and Operations) (DGCIO(CO)) advised that the online address change service was available on the one-stop portal of the Hong Kong Special Administrative Region Government, GovHK. With the Change of Address Service, all Hong Kong residents could change their address records with 23 Government departments and seven non-governmental organizations in one go. The Administration would step up promotion of the service at the departmental level.

Value-added re-use of public sector information

14. Dr Samson TAM enquired about the Administration's plan to make available more public sector information (PSI) for value-added re-use. Sharing a similar view, Ms Emily LAU urged the Administration to provide such PSI as far as possible.

15. In response, GCIO advised that at present, real-time traffic data of major routes was already being provided on the Internet at the "Data.One" portal. The other datasets which the Administration planned to make available, including the information on approved fund-raising activities, weather and climatological data, air pollution indices, census statistics, public transport routes and fees, would also be provided to the public free-of-charge.

Business facilitation e-services

16. Ms Emily LAU urged the Administration to facilitate the business operation of small and medium enterprises by providing online service in application of licences.

17. GCIO advised that the Administration had been developing application systems for processing e-submission in various Government departments, with a view to providing the public with an additional means to submit applications and enhancing effectiveness in processing applications. Currently, public searches on company information registered with the Companies Registry (CR) were largely conducted through electronic means. Since the launch of the one-stop service for electronic company incorporation and business registration in March 2011 through a 24-hour e-Registry portal, CR had continued to provide new services in order to make Hong Kong a better place to do business and enhance its competitiveness. Following the launching of the Road Cargo System (ROCARS) in 2010, other new e-services for businesses were expected to come on line by stages. DGCIO(CO) added that the Office of the Government Chief Information Officer (OGCIO) would liaise with the Trade and Industry Department with a view to identifying ways to further enhance its business licence information service.

VI. Applications for domestic free television programme service licences

- (LC Paper No. CB(1)2064/11-12(07) -- Administration's paper on applications for domestic free television programme service licences
- LC Paper No. CB(1)2133/11-12(01) -- Submission from City Telecom (H.K.) Limited
- LC Paper No. CB(1)2139/11-12(04) -- Speaking note from PCCW Limited
(*Chinese version only*)
- LC Paper No. CB(1)2139/11-12(01) -- Letter from Asia Television Limited
(*English version only*)
- LC Paper No. CB(1)2139/11-12(02) -- Letter from Television Broadcasts Limited
(*English version only*)
- LC Paper No. CB(1)2139/11-12(03) -- Letter from i-CABLE Entertainment Limited
(*English version only*)
- LC Paper No. CB(1)2133/11-12(02) -- Relevant newspaper cuttings

- LC Paper No. CB(1)2064/11-12(08) -- Question No. 5 raised by Hon LEE Wing-tat on applications for domestic free television programme service licences at the Council meeting on 30 May 2012
- LC Paper No. CB(1)2064/11-12(09) -- Question No. 3 raised by Hon Starry LEE Wai-king on broadcasting arrangements of international sports events at the Council meeting on 2 May 2012
- LC Paper No. CB(1)3018/09-10 -- Minutes of special meeting held on 22 July 2010)

Presentation by the Administration

18. At the invitation of the Chairman, Secretary for Commerce and Economic Development (SCED) briefed members on the progress of processing the three applications for domestic free television programme service licences (free TV licences). Details of the briefing were set out in the Administration's paper (LC Paper No. CB(1)2064/11-12(07)).

Presentation by PCCW Limited and City Telecom (HK) Limited

19. At the invitation of the Chairman, Ms Janice LEE, Managing Director, TV & New Media, PCCW Limited said that PCCW Limited (PCCW) supported the issuing of more free TV licences to allow new entrants to compete in the free TV market. Although the processing of the free TV licence applications took a longer period than PCCW expected, PCCW remained confident that the Administration would prudently consider all pertinent factors and issue a free TV licence to Hong Kong Television Entertainment Company Limited, member of the PCCW group of companies, in the interest of the viewing public by providing additional choices.

20. At the invitation of the Chairman, Mr Simon LEUNG, Head of Legal, City Telecom (HK) Limited said that City Telecom (HK) Limited (CTI) submitted an application for free TV licence to the former Broadcasting Authority (BA) on 31 December 2009. In May 2011, there were newspaper

reports that the former BA had made a recommendation to the Chief Executive in Council (CE in Council) to approve the applications. It had been almost 30 months since the submission of application by CTI, and over 12 months since the former BA's recommendations. CTI considered the delay unreasonable, both from the perspective of the public and that of the commercial operators. CIT urged the CE in Council to make a final decision on the applications as soon as possible. CTI disputed the argument against the grant of further free TV licences that advertising revenues could not support more than two free TV licencees, on the grounds that with the exception of free TV, all other media platforms had witnessed exponential growths in advertising spending despite fierce competition from new market entrants from 2002 to 2011.

Discussion

Processing of the free TV licence applications

21. Mr LEE Wing-tat expressed concern about rumours that the Administration was adopting a procrastination tactic on approving the free TV licences in the face of objections from existing licencees or political pressure. He urged the Administration to consider the applications in a fair and transparent manner. The Chairman shared a similar view and queried if it was the intention of the current Administration to leave the decision to the incoming Administration to be led by the Chief Executive-elect, due to the on-going litigation between the Government and one of the existing licencees on the matter.

22. SCED advised that it was the Government's policy to promote the sustainable development of the local broadcasting industry and encourage competition and investment, thereby leading to the provision of more choices of quality programmes to the public. There was no change in the policy and the Government had been processing the recommendations submitted by the former BA expeditiously and prudently in accordance with the statutory requirements and established procedures. The decision making process would not be influenced by any political considerations. The outcome would be announced as soon as the CE in Council made a decision. It was inappropriate to speculate on when such a decision would be made.

23. Mr Ronny TONG opined that policy decisions should not be influenced by the interests of individual stakeholders. He enquired about the reasons for withholding the decision on the applications by the Administration. He expressed concern that if a decision could not be made before the takeover of the new Administration, the whole application process might have to start all over again, and there could be a change in policy under

the new Administration.

24. SCED advised that he was not in a position to disclose the proceedings of the Executive Council (ExCo) which were classified as confidential. He added that whilst he could not rule out any possibilities, it was inappropriate to speculate when a decision on the applications would be made. In response to Ms Cyd HO's enquiry, SCED assured that it was not necessary for the CE in Council to start the process all over again after the takeover of the new Administration.

25. In response to Mr TAM Wai-ho's enquiry whether the Administration had made any assessments on the possibilities of legal challenges when the former BA made a recommendation to the CE in Council in May 2011, SCED advised that he could not disclose any information relating to the ExCo proceedings nor the BA's recommendations.

26. At Mr TAM Wai-ho's request, the Administration agreed to provide information on the time taken previously by the CE in Council in considering applications for the grant or renewal of domestic free television programme service licences following the recommendations submitted by the former BA.

(Post-meeting note: The information provided by the Administration was circulated to members vide LC Paper No. CB(1)2351/11-12 on 11 July 2012.)

27. Ms Emily LAU opined that in the event that approval was given for companies associated with the pay TV licensees to provide free TV service, the licensees should not deviate from the policy of upholding editorial independence in news reporting. She expressed concern that the delay in processing the applications would cause deterioration in the business environment of Hong Kong. She also enquired about the free TV licence applicants' response towards the long processing time of the applications and whether another round of public consultation should be carried out.

28. Ms Janice LEE, Managing Director, TV & New Media, PCCW Limited acknowledged that the processing of the free TV licence applications took a longer period than PCCW expected. Meanwhile, PCCW would try its best to cooperate with the Government and fulfill all the requirements. PCCW was not aware of any political pressure against the granting of free TV licence to the company. Investment in hardware and human resources was an on-going exercise, and PCCW had made an investment commitment in its application for free TV licence. The company adopted an open attitude on whether another round of public consultation should be carried out. So far, PCCW did not see any deterioration in the business environment of

Hong Kong.

29. Mr Simon LEUNG, Head of Legal, City Telecom (HK) Limited said that CTI remained confident that the Administration would abide by its 1998 Review of Television Policy that there would be no limit on the number of domestic free TV licences to be issued. CTI had not heard of any political pressure against the granting of free TV licence to the company. CTI had made an investment commitment in its application for free TV licence. The company had plans to invest no less than \$800 million in the Multimedia Centre at Tseung Kwan O Industrial Estate, which was currently under construction. It should be up to the Administration to consider whether another round of public consultation should be carried out. At the moment, CTI did not see any deterioration in the business environment of Hong Kong.

30. SCED advised that in assessing the applications for free TV licences, the authorities would take into account a number of factors, including public opinions. To collect public views on the three applications, the former BA conducted a public consultation exercise from July to September 2010 pursuant to the requirement of the Broadcasting Ordinance (Cap. 562). The former BA had taken into account public views collected in the exercise. The CE in Council would also take into account public views before making a decision on the three applications. SCED added that rather than leading to deterioration in the business environment, the processing of the applications according to statutory requirements and established procedures would provide a favourable environment for businesses.

VII. Any other business

31. There being no other business, the meeting ended at 4:24 pm.