

# **The Statement of the Secretary for Commerce, Industry and Technology on The Implementation Framework for Digital Terrestrial Television Broadcasting**

## **Background**

Our policy is to enhance and promote Hong Kong's information infrastructure and services to make Hong Kong a leading digital city in the globally connected world of the 21<sup>st</sup> century. The implementation of digital terrestrial television (DTT) helps fulfill this policy. This statement outlines the way forward for implementing DTT broadcasting in Hong Kong.

2. Digital television services are already available to viewers in Hong Kong via cable, satellite and broadband networks. Terrestrial television, the most pervasive kind of television service in Hong Kong, is the only form that has yet to be digitized. About 1.5% of population in Hong Kong experience the problem of poor reception of free-to-air terrestrial television signals. Due to the hilly environment and high building density in Hong Kong, a lot of spectrum is currently used by the two incumbent terrestrial television broadcasters, Asia Television Limited (ATV) and Television Broadcasts Limited (TVB) to achieve territory-wide coverage for analogue broadcasting.

3. DTT broadcasting improves reception and the audio-visual quality of terrestrial television, improves spectrum efficiency, and enables new applications like high-definition television (HDTV), interactive television and datacasting services. When most television households have

switched to DTT services, we may consider switching off analogue broadcasting to release spectrum for communications services.

4. We first consulted the public on the proposed implementation of DTT in December 2000. The proposed implementation framework set out below has taken into account views expressed during the second consultation paper published in 2003.

### **Considerations**

5. The policy objective of implementing DTT broadcasting is to ensure that the terrestrial broadcasting infrastructure will be upgraded timely to realize the benefits described in paragraph 3 above so as to maintain Hong Kong's position as a regional broadcasting hub and a leader in the application of innovative technology. Our priority is to ensure a smooth analogue-to-digital migration of existing terrestrial television services. This entails investment by the two incumbents in building and testing the digital broadcasting network, and launching new television or multimedia services to drive consumer take-up of DTT.

### **Implementation Framework**

#### **(A) Timetable**

6. We will require ATV and TVB to start simulcasting their existing television services in analogue and digital formats within 2007 at

the latest. This will tie in with the Olympic Games to be held in Beijing in 2008, which would provide a strong incentive for consumers to take up DTT.

### **(B) Analogue switch-off**

7. Many economies have ambitious targets for switching off analogue broadcasting by around 2010. A target date for analogue switch-off may be conducive to completing DTT switch-over so as to release spectrum for other applications. Subject to further market and technical studies, we aim to switch off analogue broadcasting in five years after the commencement of simulcast.

### **(C) Technical Standards**

8. If the Mainland has not promulgated a national standard before the end of 2006, we will adopt a market-led approach to the selection of technical standard. ATV and TVB have indicated that by then, they will adopt the European DVB-T technical standard for digital broadcasting in order not to further delay the rollout of DTT services.

### **(D) Frequency Allocation**

9. Out of the five multiplexes available in Hong Kong, ATV and TVB shall share the one based on multiple frequency network (MFN) configuration for broadcasting their four existing programme channels in digital format alongside analogue broadcasting. In addition, each of them

will take up one additional multiplex based on single frequency network (SFN) configuration for new high-definition broadcasting services. The remaining two SFN multiplexes will be assigned at a later stage after ATV and TVB have confirmed the technical feasibility of the SFN configuration.

### **(E) Licensing Arrangements**

10. We will separately license the operation of the multiplexes and the television programme services respectively under the Telecommunications Ordinance (Cap. 106) and Broadcasting Ordinance (Cap. 562) in line with the existing licensing regime. Providers of additional services (datacasting) on the multiplexes are required to obtain a Public-Non-exclusive Telecommunications Service (PNETS) licence under the Telecommunications Ordinance. Additional services shall not exceed 25% of the transmission capacity of a multiplex because multiplexes are primarily broadcasting platforms.

### **(F) Transitional Arrangements**

11. ATV and TVB shall extend the coverage of their digital networks to 75% of the area of Hong Kong within 2008 after the start of simulcasting within 2007 at the latest, and share transmission facilities and hill-top sites with new operators, if any, at a later stage to expedite the roll-out of new DTT broadcasting services.

## **Government-Industry Working Group**

12. We will set up a government-industry working group to provide a forum for co-ordinating the migration from analogue to DTT at different stages. Technical matters aside, we will collaborate with the industry to disseminate information about DTT (e.g. consumer product availability and compatibility), work out plans to promote consumer take-up, and ensure a smooth analogue switch-off at a later stage.

13. This statement will be updated as and when necessary during the implementation of DTT broadcasting.

**Commerce, Industry and Technology Bureau**

**9 July 2004**