



Consultation on Digital Broadcasting: Mobile Television and Related Issues

**Submission by
The Cable and Satellite Broadcasting Association of Asia (CASBAA)
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This submission is made on behalf of the Cable and Satellite Broadcasting Association of Asia (CASBAA). Headquartered in Hong Kong, CASBAA is an industry association with members and activities in 15 Asia Pacific markets. The Association is dedicated to the promotion of multi-channel television via cable, satellite, broadband and wireless video networks across the Asia-Pacific region and represents some 120 corporations, which in turn serve more than 3 billion people. Member organizations include I-Cable, TVB Pay Vision, PCCW's now TV, Celestial Pictures, STAR Group, Time Warner, China Entertainment Television, Turner Broadcasting, Sony Pictures Television International, Discovery Networks Asia, National Geographic Channel Asia, Walt Disney Television, HBO Asia, MTV Networks Asia-Pacific, AsiaSat, IBM, Motorola, Nokia, Sun Microsystems, Standard Chartered Bank, PricewaterhouseCoopers and Boeing Space Systems.

CASBAA's member companies work in an industry which is rapidly converging, both commercially and technologically. Pay-TV content is today available to consumers in Hong Kong through distribution platforms using cable, satellite, proprietary broadband, internet, and mobile telephony. The distinctions between the "broadcasting" and "telecommunications" industries are rapidly blurring, and are likely to virtually disappear within the next decade. New business models are rapidly evolving, as industry players gain a surer knowledge of consumers' desires, and willingness, to purchase content over various transmission platforms. It is, therefore, no surprise that we strongly favour a regulatory regime that is open, transparent, even-handed, technologically neutral, protective of creative freedoms, and flexible enough to permit evolution of new business models.

The increasing availability of television content on mobile handsets is leading to experimentation and development of numerous new business models. We fully support further rollout of mobile television in Hong Kong, so that consumers may choose which of many competing offerings they favour. In this way, Hong Kong will continue to develop its communication markets as a regional leader, new content markets will be stimulated, and consumers will enjoy – if they wish – the benefits of content services anytime and anywhere.

On the general question of the different mobile TV standards now in various stages of development, we believe the government is wise to follow a market-led approach. It is important that the standards eventually supported in Hong Kong be internationally compatible, and the best way to achieve this is to allow market operators to determine which system they wish to develop, finance, and deploy. We note that adoption of a state-determined rather than market-led approach in mainland China has led to lengthy delays and inter-operation difficulties. Such “dirigiste” approaches should be eschewed in Hong Kong.

With regard to the other specific matters for consultation, we would offer the following views:

Spectrum Availability:

We support adoption of a spectrum band which supports more, rather than fewer, mobile channels. It is desirable that Hong Kong consumers should have access to a broad array of mobile channels, and that the creation of content for mobile platforms be stimulated.

One issue of concern to our industry globally is the spectre of major interference between wireless applications and the fixed satellite services on which our industry is dependent. Any use of spectrum for mobile television should not interfere with existing spectrum for satellite or other television services. In particular, with regard to possible use of the L band, we note that microwave links utilizing this band are in use to sustain inter-facility links carrying video programming. As such, we would suggest that before allocating L-band spectrum for mobile TV services, the government conduct detailed technical field testing to quantify the extent of any L-band interference to satellite reception and MMDS systems.

Spectrum Allocation

Consistent with our view that it is desirable to adopt favourable conditions for the development of mobile television, we support adoption of the Administration’s proposed “Pro-Mobile TV Approach.” The consultation paper correctly notes that standalone DAB services have not generated much international consumer or industry interest to this point. We believe that DAB has the best chance of succeeding where it can be bundled with mobile TV, as in the several different systems in South Korea for example, and we advocate allocating the spectrum primarily for mobile TV services.

Licensing Arrangements

CASBAA as a general rule supports technology-neutral licensing policies, which treat broadcast streams identically, whether they are conveyed on cable, satellite, broadband or mobile platforms.

That said, our members also believe that regulators should adopt light-handed approaches, that allow new services to flourish. In that context, and having consulted our member companies interested in the Hong Kong market, we find a diversity of views on the question of licensing arrangements.

One school of thought finds persuasive the arguments in the consultation paper which note that:

-- Mobile TV seems unlikely at this point to become a substitute for traditional television services and attain similar reach of audience. It can be regarded as a new category of personal access device, rather than a “household” device such as a traditional television set.

-- Bringing mobile TV into the existing licensing regime will require a protracted period of debate, consensus building and legislation on a wide range of issues, many of which may never develop in the marketplace. Such a long debate will create uncertainty and deter investment and deployment of new services to consumers.

And therefore, in the specific Hong Kong context, a number of our members do not at the present time support making mobile television program services licensable services under the Broadcasting Ordinance. Rather, they would advocate that the government seek to promote development of a self-regulatory code of conduct by mobile TV operators, along the lines of those in the UK and Singapore. They believe that once the new Communications Authority has been created, and having allowed the industry scope to develop, the government and the community can assess the desirability of additional mobile TV licensing measures (or lack thereof).

However, there are other members who attach a greater priority to ensuring even-handed and technology-neutral treatment of all players in this increasingly diverse industry. They believe that wireless television will in fact be a strong competitor for fixed television services, and that mobility will give wireless television a strong competitive advantage, just as mobile telephony enjoys competitive advantages over fixed-line telephone services. As they view these services as more directly competitive, they see a greater need for even-handed regulation.

They also note that content issues are the main driver behind licensing under the Broadcasting ordinance and believe that the issues posed by a linear broadcast stream are the same, whether conveyed by mobile or fixed television technologies. They therefore believe that mobile TV broadcasting services should be subject to the same regulation as subscriber-based television services in Hong Kong, which would imply that mobile TV broadcasters should be required to obtain licenses under the Broadcasting Ordinance.

In any case, however, we wish to stress the united view of our membership that whatever approach is adopted for mobile TV should be applied equally to new services and existing mobile TV services provided on the 2.5G or 3G mobile platforms. Failure to apply the measures equally would be technology-specific and possibly unfair to new entrants to the market who will be directly competitive with existing licensees.

Our Association remains available for further consultations or discussions with the government on any of these issues.