

Submission by G-mobile Limited on the “Second Consultation on Development of Mobile Television Services”

I. Introduction

- 1.1 G-mobile Limited (“GML”), being a mobile TV content developer in Hong Kong, welcomes the opportunity to give its views on the Second Consultation on Development of Mobile Television Services (“Consultation Paper”) and commend the government’s efforts to expedite mobile TV rollout in the interest of the Hong Kong public.
- 1.2 GML intends to comment on the Consultation Paper’s chapters on “Spectrum Allocation”, “Spectrum Assignment” and “Access to Hilltop Transmission Sites and Geographical Coverage for Broadcast-type Mobile Television”, as these chapters all aim at ensuring “mobile TV success” as soon as practicable. By “mobile TV success”, GML means mobile TV services that are well picked-up or subscribed by the public.

II. On Chapter 4 Spectrum Allocation

- 2.1 GML only supports the adoption of the pro-mobile TV approach to a certain extent. GML proposes that the full capacity of the allocated spectrums be used only for mobile TV services.
- 2.2 GML’s reasons are:
 - A. Even if all are used for mobile TV, the spectrums can only accommodate a total of 26 channels, which is very small in number when compared to current pay TV, satellite TV, analogue TT, DTT and 3G mobile TV services.
 - B. In all likelihood, a large number of these 26 channels, like pay TV, DTT and 3G mobile TV, would be used to repeat contents which are simultaneously available on other TV service platforms anyway.
 - C. DAB, in all fairness, should be developed in conjunction with incumbent AM and FM frequencies licensees, similar to the current DTT deployment.

III. On Chapter 5 Spectrum Assignment

- 3.1 GML supports the market-based approach, but does not support the levy of Spectrum Utilization Fee (“SUF”) through auction in the development of mobile TV services. And GML supports Hong Kong Cable Television Limited’s comment that no spectrum should be assigned to incumbent DTT and telecommunications licensees.
- 3.2 GML’s proposals are:
- A. Regardless of its commercial nature, mobile TV will serve a public (namely, people on the move) who may not be well-served currently by analogue TT and DTT. There are public interests in information, education and entertainment at stake. Thus, a “beauty contest” will better serve this end than auction. In conjunction, GML further proposes the SUF levy be linked to milestones.
 - B. In previous licensing experiences, commencement of operation and services, and achieving geographical coverage or capex did not necessarily guarantee service penetration. As the spectrum allocation is about utilizing public airwave for public interest, GML proposes a reverse scale in SUF levy, i.e. the bigger the service penetration, the smaller the SUF, to encourage the mobile TV licensees to be “market-led”. Then the public’s interest can be best served quickest.
 - C. As DTT, mobile telecommunications and mobile TV all make use of public airwaves to compete for advertising and/or subscription dollars, incumbent licensees should be excluded from the new licenses in order that competition and better service to the public can be fostered.

IV. On Chapter 7 Access to Hilltop Transmission Sites and Geographic Coverage for Broadcast-type Mobile Television

- 4.1 GML strongly supports the requirement that mobile TV services should provide the same geographical coverage as free-to-air broadcasters, as it can best facilitate “mobile TV success”.

V. Conclusion

- 5.1 As discussed in the Consultation Paper, mobile TV is a worldwide phenomenon; and GML applauds the government's efforts to expedite its rollout in Hong Kong.
- 5.2 Mobile TV, being a content (programme) service instead of a telecommunications service, should serve the public at large. It is GML's wish that in the licensing of public airwaves for mobile TV use, the Hong Kong public's interests in information, education and entertainment could take precedent over the Treasury.