

Hong Kong Broadband Network Ltd
**Response to the Second Consultation on Digital Terrestrial
Broadcasting in Hong Kong**

Hong Kong Broadband Network Ltd (“HKBN”) welcomes the opportunity to respond to the Second Consultation Paper (“the Consultation Paper”) on Digital Terrestrial Broadcasting in Hong Kong, issued by the Commerce, Industry and Technology Bureau of HKSAR government on December 5, 2003.

Framework for the introduction of DTT broadcasting

1. We believe that it is important to maintain Hong Kong’s lead and competitiveness in the area of broadcasting by paving a solid way for introducing DTT broadcasting in Hong Kong. A defined timetable to rollout DTT broadcasting in Hong Kong is necessary. We support the Government’s intention to see the introduction of DTT broadcasting as soon as possible, and within 2006 at the latest.

Technical Standard

2. We believe that the technical standard of DVB-T is superior and more suitable to the Hong Kong environment, based on the findings of technical trials carried out by the government and the 2 terrestrial broadcasters. The technical standard of DVB-T can support both SFN and MFN configurations, multimedia services, MHP and robust mobile reception. We support government’s recommendation to select DVB-T as the DTT broadcasting standard.
3. We further support the “market-led” approach to be adopted in conjunction with the five criteria set out in paragraph 12 of the Consultation Paper. We request the Government to consult the industry as early as possible on the regulation of set-top-boxes and integrated digital TV sets and to ensure interoperability and accessibility on a non-discriminatory basis to safeguard consumer interests.

Simulcast and Transitional Arrangements

4. We are happy to see the Government changing the proposal that the only MFN multiplex available be assigned to the 2 terrestrial broadcasters for simulcasting the existing analogue channels in both analogue and digital forms. To provide a level playing field to all the new network operators, the 2 broadcasters have to apply separately for the use of the SFN multiplex.

5. We support the Government's proposal of imposing 3 conditions for the direct assignment of MFN multiplex in paragraph 22 of the Consultation Paper. However, it is unclear in the Consultation Paper whether the new network operator(s) will be charged by ATV and TVB on sharing their resource and facilities. And, if there is a charge, what is the basis of the charge? To make sure that the exiting terrestrial broadcasters will not take advantage on the issue of sharing the resource and facilities with the new network operator(s), the Government has to work out the basis of sharing the resource and facilities prior to the introduction of DTT broadcasting in Hong Kong.

Multiplex licensing framework

6. We support the Government's proposals on the multiplex licensing framework.

Hong Kong Broadband Network Limited

5th March, 2004