



BY EMAIL AND BY MAIL

24 February 2011

Office of the Telecommunications Authority  
29/F Wu Chung House  
213 Queen's Road East  
Wanchai, Hong Kong

Attn: Senior Telecommunications Engineer (Spectrum Planning)

Dear Sirs/Madams,

**Views and Comments to  
“Spectrum Utilization Fee for Spectrum Assigned Administratively”**

I refer to your consultation paper with title of “Spectrum Utilization Fee for Spectrum Assigned Administratively” dated 26 November 2010. As one of the local terrestrial free television broadcasters, hereby I would like to express our company's views and comments on the paper.

Comments on the questions given in the consultation paper

1. To Questions 1

We notice that paragraph 8 of the paper takes the spectrum used to provide terrestrial broadcasting services as exception from the SUF levy basing on public interest principle. We thanks and welcome such arrangement.

In addition, we suggest that the exception list should include all frequencies making up of the whole transmission path used to provide terrestrial broadcasting service. Normally, a transmission path of broadcast network includes point-to-point program feed link and broadcasting transmission. And for live event, the path will also include the ENG and OB links. If any part of the path is broken, the service to the viewers would be heavily impacted.

So we object to apply SUF on Electronic News Gathering (ENG) and Outside Broadcast (OB) link according to the principle given in paragraph 8 of the consultation paper that says the uses of spectrum carry significant public interest should be subject to exceptions to SUF. As mentioned above, besides the ENG/OB link is a part of the free TV broadcast service transmission path, its most important functions is to deliver the most immediate important news and big events to our broadcast center and then forward to the TV set in Hong Kong audience's home, office and anywhere. We think this use is directly serving the

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public interest. It should be excluded from the SUF levy list.

Except above objection, we agree that the SUF should only be applicable to the congested frequency band. We also agree the criteria (a). In principle we agree the criteria (b). But we suggest that a clear definition to the criteria (b) should be given. It is best to set some quantitative conditions as well.

2. To Questions 2

We agree that the SUF should be based on the LCA approach if the LCA of the related application exist. But it should be figured out that the LCA might not exist for some application and special reliability requirement. One example is that hill-top operation and ENG/OB application of TV service, it is normal that the alternative approach could not be found or the cost of the alternative approach is an astronomical figure at the special site and environment. So for the case that LCA does not exist or be close to non-existent, we suggest that the SUF should not be levied. We define that the “not exist” means the no any proven alternative approach could meet the current application’s functional requirements and performance requirements. The performance requirements also include the reliability requirement.

3. To Questions 3

As mentioned in paragraph 1 of this document, we object to levy SUF to the fixed links used for terrestrial free television service. Except that, in principle we agree on the approach.

4. To Questions 4

News and live event service are the most essential and important service of terrestrial free television broadcasters provided to the audience of Hong Kong. It is a fundamental public interest of Hong Kong audience. Besides that, the ENG/OB link is also a part of the whole service transmission path as we expressed in paragraph 1 of this document. Basing on these points, we object to levy SUF to ENG and OB links used for terrestrial free television service.

5. To Questions 5

We have no comment on this question.

6. To Questions 6

We agree that SUF should be imposed as annual payment.

7. To Questions 7



We have no comment on this question.

8. To Questions 8

We have no comment on this question.

9. To Questions 9

Considering some licensees might purchased new equipments and antennas just before the SUF levy scheme announced and the long lifetime of the antenna (says around 15 years), for the fairness purpose, we suggest setting the transition time as 10 years.

We do not agree to set a phase-in scheme during the transition time. Instead, we suggest that within the transition time, the SUF should not be charged. But in order to encourage the licensees to move from the congested spectrum, the migrating cost and the remaining depreciation cost of the investment on the link in the congested spectrum should be compensated.

We suggest the transition period should be applied to not only the bands that introduce SUF at kick-off time but also the band when it becomes congested band in future due to the demand rises. That means, if one spectrum suddenly become SUF applicable, its licensee should also be granted same transition time as when the SUF is introduced at start time. Such arrangement should be able to protect the licensee's investment when he moves the application to a new uncongested band.

10. To Questions 10

We agree the review period of 5 years.

Thank you for your kind attention.

Yours faithfully,  
ASIA TELEVISION LIMITED

H Y KWONG  
Senior Vice President  
Corporate Development & External Affairs