



HONG KONG JOURNALISTS ASSOCIATION

香港記者協會

## **HKJA SUBMISSION ON CONSULTATION PAPER ON PROPOSED SPECTRUM POLICY FRAMEWORK**

1. The Hong Kong Journalists Association (HKJA) notes the proposals made in the government's Consultation Paper on Proposed Spectrum Policy Framework. This paper could have wide implications for a range of activities, from mobile phone services to radio and television broadcasting. It is the latter area which we would like to focus on.
2. Our major concern centres on the proposal to introduce market mechanisms - such as auctions and spectrum utilisation fees (SUF) - to allocate spectrum. This - we believe - will encourage only the wealthy - those who can afford potentially huge auction prices or SUFs - to enter the market, to the detriment of smaller and less well-off broadcasters.

### **NEED TO RESPECT PUBLIC SERVICE BROADCASTING**

3. A market-based approach may be valid for purely commercial operations, such as 3G or 4G mobile phone operations. But the government should consider seriously whether such mechanisms would be conducive to the development of the broadcasting sector, including public service broadcasting and community, public access and minority services. These services are essential to media diversity in Hong Kong. If they are not allocated spectrum, radio and TV broadcasting would become dominated by the interests of rich and powerful consortiums. The voice of the people would then be marginalised or blocked out.
4. We note with considerable concern that the consultation document is silent on public service broadcasting. However, the consultant hired by the government to consider spectrum policy is not. The consultant has rightly highlighted the importance of differentiating public service and commercial broadcasting services. In recommendation 6.4 (page 10), the consultant writes: "It would be desirable for broadcasting policy to draw a clear line between services that are intended to achieve public service broadcasting objectives and services that are purely commercial."

5. The HKJA agrees that public service broadcasting should be treated differently from commercial broadcasting. There are strong public interest reasons for doing this - primarily that the government should encourage the participation of a diverse range of media outlets in Hong Kong's broadcasting industry. The Hong Kong public has many different views on political and economic issues - and these should be fully reflected in our broadcasting sector.

6. To further this aim, the HKJA proposes that the government's new spectrum policy objectives should include a provision that would ensure that public service broadcasting and similar services could still play a major role in Hong Kong's overall broadcasting environment.

7. This should be achieved by adding a new policy objective in paragraph 31 of the consultation document as follows:

(f) to ensure that necessary spectrum is reserved for public service broadcasting and community, public access and minority services.

8. Such public service broadcasting should include both the existing public broadcaster, Radio Television Hong Kong, as well as any others who may wish to enter the market, including public access radio and television broadcasters, as well as services aimed at minority audiences. The application by Citizen's Radio for a broadcasting license clearly shows that demand exists for such services. Such broadcasters should not be forced out of the marketplace because they cannot afford to pay potentially huge fees.

9. Further, the government must ensure that the commercial broadcasting market is not dominated by one or two big corporations - who could exercise monopolistic control over the sector. This can be achieved in a number of ways - through an anti-competition law or setting a limit on the number of channels that a single broadcaster is allowed to control. Cross-media ownership regulations should also remain in place to further media diversity.

## THE ENCOURAGEMENT OF NEW TECHNOLOGY

10. The government's spectrum policy should also be aimed at encouraging the development of new technologies for radio and television broadcasting, whether in the form of digital high-definition TV or digital radio broadcasting.

11. The government has up until now shown little interest in the development of digital radio broadcasting or in allocating money for trial broadcasts. However, at the same time, the government notes - in paragraph 24 of its consultation document - that "there may be circumstances where the small number of existing competitors are content with the current state of the market competition and do not see a business case to upgrade their networks to further compete on innovation or quality of service."

12. This would appear to be the case with the introduction of DAB services in the radio sector. RTHK has carried out limited trials, but commercial operators appear to lack interest in offering digital services. The government's spectrum policy should be such that it encourages technological upgrades - through financial allocations if necessary. Digitalisation would result in better broadcasting quality and greater media diversity, through the opening up of new channels and spectrum for potential broadcasters.

## CONCLUSION

13. In conclusion, while the HKJA supports moves for the government to liberalise its spectrum policy in general terms, it should at the same time ensure that sufficient opportunity is given to a variety of public service broadcasters to enter the market and to upgrade their services, as a way to encourage greater media diversity. This should be achieved through both regulation and greater use of digital technology.

HKJA Executive Committee

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