

Key Conditions of Digital Audio Broadcasting Licence

(1) *Requirements applicable to DAB services*

Most of the requirements imposed on licensees for analogue broadcasting would be extended to the DAB operators. These relate to the need for a mid-term review of licences; the imposition of licence fees; Hong Kong resident requirement for the Chairman, Managing Director and the Directors; provision of service free of charge; hours of service; broadcast of announcements in the public interest and weather programmes / announcements provided by the Government and publicity materials of the BA; hours of broadcasting; advertising time limit; compliance with proposals submitted in the application and submission of performance bond which is tied to the launch of service.

(2) *Positive programme requirements*

DAB services are **not** subject to positive programme requirements (i.e. minimum requirement for programmes on specific genres such as arts and culture, or for specific target audience such as youth and elderly) to provide room and flexibility for the new DAB services to explore and flourish.

(3) *Language requirement*

To accord with the status of Hong Kong as a metropolitan city, we would require each DAB licensee to broadcast on its DAB channels an aggregate of at least 50 hours of non-Cantonese programmes per week.

(4) *Limit on amount of simulcast/non-first release FM programmes to be broadcast*

To ensure more effective utilization of the DAB multiplex and to provide greater programming variety, BA would require a DAB licensee –

- (a) not to use more than 50% of the total broadcast time of a DAB channel per week to provide simulcast of FM programmes; and
- (b) not to use more than 50% of the total broadcast time of a DAB channel per week to broadcast FM

programmes released for the first time on a DAB channel,

unless the BA otherwise approves or determines.

(5) *Programme associated data services*

Unlike the existing analogue services, DAB technology can support a variety of programme associated data services¹. Thus, we consider it necessary to define in the DAB licences the programme associated data services that are permitted. As far as technical aspects are concerned, programme associated data services may be transmitted in the form of text, still images and even moving images for display on a compatible DAB+ receiver. It should be noted that the transmission of moving images under a DAB+ platform may be treated as a form of mobile TV service which should be subject to licensing as a telecommunications service under the TO. The transmission of moving images will also consume a large amount of data capacity. A limit will be imposed on the refresh rate of any moving images at not faster than 1 picture per second. Furthermore, advertisement displayed on a receiver's screen through programme associated data services should not exceed 30% of the total time of display within a day.

(6) *Minimum capacity for sound channel*

We propose that the multiplex capacity be allocated to the operators as a bundle so that they can have the flexibility to adjust the capacity for individual sound broadcasting and data services within their bundle. In general, a lower data rate of some 32 - 40 kbps could yield good quality for speech using DAB+ standard and a higher data rate of some 48 kbps are required for music. To ensure an acceptable sound quality, we propose that the successful applicants should be required to use a capacity of no less than 32 kbps and 48 kbps for transmission of non-music and music programmes respectively.

¹ Programme associated data services are ancillary services provided by the radio operators to transmit data incidental to the sound broadcasting services to the audience e.g. electronic programme guide (EPG), photos of singers, song lyrics, weather and stock information, etc.

(7) *Management of the licensee*

As a licensee needs to adopt effective management and control in order to ensure compliance with all the statutory and regulatory requirements, we propose to include a condition in the licence requiring that the management of the licensee shall not be performed by persons other than the directors, principal officers² and persons duly authorised by the licensee.

(8) *Sharing of a common multiplex*

As the DAB applicants and RTHK will be required to provide their DAB services through a common multiplex, we propose to include a condition in the licence requiring the licensee to cooperate with other users of the multiplex in the establishment and operation of the transmission network and to share the relevant cost, and that the Telecommunications Authority could intervene and adjudicate if mutual agreement cannot be reached. In practice, RTHK is the site manager for the existing hilltop sites and will be responsible for the co-ordination of the use of the DAB spectrum and equipment as it does with the current AM/FM services.

² “Principal officer”, in relation to a corporation, means –

- (a) a person employed or engaged by the corporation who, by himself or with one or more other persons, is responsible under the immediate authority of the directors of the corporation for the conduct of the business of the corporation; or
- (b) a person so employed or engaged who, under the immediate authority of a director of the corporation or a person to whom paragraph (a) applies, performs managerial functions in respect of the corporation.