

INFORMATION NOTE ON RECEPTION OF SATELLITE TELEVISION PROGRAMMES

1. INTRODUCTION

- 1.1 As most people in Hong Kong live in multi-storey buildings, it is neither cost-effective nor practical for individual households to set up their own receiving antennas to receive satellite TV programmes. Therefore it is common to have one single satellite master antenna television (SMATV) system serving the whole building.
- 1.2 A SMATV system typically consists of one or more satellite receiving dish antennas installed at the rooftop of a building. Signals received by these antennas are distributed by cable to individual households within the building.
- 1.3 This information note offers a brief guide to consumers who have or wish to have SMATV systems serving their premises. Please note that this information note does not set out the law relating to SMATV systems. The form of a SMATV Licence can be found in the website of the Communications Authority (CA) at <http://www.coms-auth.hk>.

2. OBLIGATIONS AND REQUIREMENTS OF SMATV LICENSEES

- 2.1 A SMATV system can only be installed, maintained and operated by a company holding a SMATV Licence issued by the CA. A list of SMATV licensees is available from CA's website <http://www.coms-auth.hk>.
- 2.2 Some licence conditions, which are of particular relevance to consumers, are given below -
 - (a) A SMATV system may be provided on an outright purchase basis. The design, installation, maintenance and operation thereafter will have to be carried out by a SMATV licensee. In this case, you need to pay the SMATV licensee the initial design and installation cost of the system. The recurrent cost you need to pay will be the costs covering the maintenance and operation of the system.
 - (b) SMATV systems may also be provided on a lease or hire-purchase basis. In this case, you may not normally be required to pay an upfront cost. You will have to pay a recurrent charge which will include an appropriate amount required to recover the investment made by the SMATV licensee plus an amount required to cover the maintenance and operation of the SMATV system. A SMATV licensee needs to break down his charges into separate components of the charges. In other words, a consumer has the right to know how much you are charged for the maintenance and operation, and for the lease or hire-purchase of the system.

- (c) A SMATV licensee is prohibited by law from charging any fee for the right to receive satellite television programmes, nor should any fee be payable to the programme originators for this right. In other words, consumers need not pay any programme fees but only the charges connected with the provision, installation, maintenance and operation of the SMATV system.
- (d) A SMATV licensee has to ensure that the SMATV system does not cause interference to any other services including the TV programme services licensed under the Broadcasting Ordinance (Cap 562). If a SMATV licensee also distributes the programme services via the SMATV system, the signal quality of the services shall meet the minimum standard laid down by the CA.
- (e) Some satellite TV programmes, which are available for general reception in Hong Kong, may not be currently distributed in your building. If you so request, a SMATV licensee is required to distribute these programmes unless he can give you a valid reason why he is not able to do so.
- (f) A SMATV licensee is prohibited from coming to any arrangement with you, your building management or Incorporated Owners which has the effect of preventing, discouraging or restricting the provision or making available of SMATV services or any other authorized broadcasting or telecommunications services by any third party to your building. That is to say, a SMATV operator cannot negotiate a deal to become the **only** distributor of broadcast or telecommunications services in a building.
- (g) The dish antenna and supporting framework of a SMATV system shall be certified structurally safe by a registered structural engineer.
- (h) A SMATV licensee shall have and maintain a valid insurance policy to cover its third party liabilities in respect of personal injury, death and damage to property, arising out of or in connection with the installation, maintenance and operation of the SMATV system. The amount of the insurance shall be at least HK\$5,000,000 per occurrence.

3. PRACTICAL INFORMATION FOR CONSUMERS

- 3.1 You may find the following information useful if you are interested in having a SMATV system installed in your building. However, the points listed are not exhaustive, and you should be careful to conduct thorough enquiries before entering into any arrangement with a SMATV licensee, or before authorising your building management company or Incorporated Owners to do so on your behalf.
- 3.2 As a SMATV system is usually installed at the rooftop or other common area of a building, its installation is best handled by the building management company or Incorporated Owners on behalf of individual owners. Since not all owners will necessarily be interested in receiving satellite TV programmes, the decision on whether or not to install a SMATV system as a common facility should be reached by all owners or Incorporated Owners so as to avoid any dispute or conflict.
- 3.3 After the expiry of the SMATV service contract, you may either renew the contract with your existing SMATV licensee or enter into a new contract with another

SMATV licensee if you want to continue receiving satellite TV programmes via the system. If the system is no longer in use, it is advisable that it be dismantled as it may no longer be covered by a valid insurance against third party liabilities in respect of personal injury, death and damage to property. As there may be different ways of treatment of the ownership of the system subject to the commercial negotiation between the users of the system and SMATV licensee, you should make sure that the ownership and disposal of the system is properly dealt with under the service contract upon the termination of service for whatever reason to avoid any dispute that may arise over the ownership or status of the system from termination of the service contract. For example, you should make sure that the service contract should contain specific clause that deals with the control and ownership of the system upon termination of services for any reason by the SMATV licensees or users of the system.

3.4 For safety reason, it is recommended that the residents of the building should request your SMATV licensee to re-inspect and re-certify the structural safety of the dish antenna(s) of your SMATV system by a registered structural engineer once every three years.

3.5 Before you authorise your building management company or Incorporated Owners to enter into agreement with any SMATV licensee to provide a SMATV system, you should clarify certain terms and conditions of any contractual document which may affect your rights. Some questions which you may wish to ask are -

- (a) What satellite TV programmes will be provided? (Up to 10 channels in the 470-862 MHz band to be allocated to services, such as for distributing free television programmes of their choice including terrestrial and satellite services, or other localized services will be concluded by the residents of a building.)
- (b) What is the charging method and what are the charging components?
- (c) What is the penalty if you, as the tenant or the owner of an individual household, withdraw unilaterally from the service provided by this SMATV licensee?
- (d) If the SMATV system is provided on a lease or hire-purchase basis, what will be the penalty if your building management company or Incorporated Owners decides to terminate the contract prematurely?
- (e) If you withdraw from the service, will you be able to continue to receive the TV programme services licensed under the Broadcasting Ordinance (Cap 562)?
- (f) What are the terms and conditions for future contract extension? Is the method for adjusting the cost clearly stated?
- (g) Will the SMATV licensee provide all the necessary technical and installation information in case you decide to switch to another SMATV licensee in future? (This information is necessary for the new licensee to take over the maintenance and operation of an existing SMATV system.)

- (h) Who owns the length of the cable connecting the TV outlet inside your premises to the rest of the cable system in the building? (If you are the owner, you will be free to choose to connect your cable and outlet to different telecommunications and broadcasting services which may be provided in the building in future.
- (i) You certainly have the right to freely enter into contract with a SMATV licensee. The terms and conditions which you are offered may be attractive enough such that you may voluntarily wish to give up some of your own rights, e.g. the ownership of the cable inside your premises. In these circumstances you should examine carefully the implications and consequences.

4. ENQUIRIES AND COMPLAINTS

- 4.1 If you have any problems with the reception of satellite TV programmes and/or are not satisfied with the SMATV service provided in your building, you should contact your building management or the SMATV licensee in the first instance. If you would like to seek assistance from the Office of the Communications Authority, or have any enquiries on this information note, you may contact:

Support Services Sub-Section
Office of the Communications Authority,
29/F., Wu Chung House,
213 Queen's Road East,
Wan Chai, Hong Kong.
(Tel : 8102 4387 Fax : 3155 0944)
(E-mail: support_services@ofca.gov.hk)