

LCQ2: Extension of fibre-based networks to remote areas

Following is a question by the Hon Kenneth Lau and a reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (March 24):

Question:

The Government launched the Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas (Subsidy Scheme) in 2018 to subsidise fixed network operators (FNOs) to extend fibre-based networks to 235 selected villages located in remote areas, so that the villagers therein can enjoy broadband services of speed of at least 25 megabits per second (Mbps). In this connection, will the Government inform this Council:

(1) whether it knows, among the villages covered by the Subsidy Scheme, the names of those villages for which the works to roll out fibre-based lead-in connections have been completed by now, as well as the respective expected completion time of such works for the remaining villages;

(2) given that the selected FNOs are only subsidised to roll out fibre-based lead-in connections to the entrances of the villages, and the villagers need to negotiate with service providers on their own the roll-out of fibre-based networks within their villages, whether the Government has measures in place to assist the villagers in overcoming the relevant difficulties, so that they, just like residents in the urban areas, can enjoy fibre-to-the-home broadband services; if so, of the details; if not, the reasons for that; and

(3) of the villages with a broadband speed not reaching 25 Mbps but not yet covered by the Subsidy Scheme at present; the measures that the Government has put in place to enable the villagers of such villages to enjoy broadband services with a higher speed?

Reply:

President,

In the past, many remote villages in the New Territories and outlying islands were not covered by fibre-based networks and could only rely on copper-based networks for basic telecommunications services with unsatisfactory Internet access speed. A policy breakthrough was made in 2017 when the Government decided to subsidise the laying of fibre-based cables for those remote villages with a reasonable number of residents. Subsequently, we obtained the approval of the Finance Committee of the Legislative Council in 2018 for a funding of \$774.4 million to implement the Subsidy Scheme to Extend Fibre-based Networks to Villages in Remote Areas (Subsidy Scheme). The Subsidy Scheme aims to provide financial incentives for telecommunications

operators to extend their fibre-based networks to remote villages in order to provide residents with better broadband services.

After securing the funding, six fixed network operators (FNOs) selected through tender are laying and extending the fibre-based networks in phases. The entire project will benefit 235 villages in remote areas and about 110 000 villagers. The laying of fibre-based networks for about half of the villages is expected to be completed by 2022-23, and the rest by 2025-26. A list of the villages covered by the Subsidy Scheme is at Annex.

The Subsidy Scheme aims to subsidise selected FNOs to extend their fibre-based networks to the entrances of eligible villages, so that the FNOs are in a position to make use of the subsidised fibre-based cables to lay their networks within the villages.

As regards fibre-to-the-home, since the wiring and installation works will involve private land and properties, they could only proceed when the relevant owners have reached a commercial agreement with the FNO. This arrangement is the same as for subscribers in urban areas.

The Subsidy Scheme requires participating FNOs to open up at least half of the capacity of the subsidised network facilities for free use by other FNOs. In other words, other FNOs can share the use of the subsidised network facilities and provide broadband services to the villages concerned, thereby providing villagers with more choices of suitable broadband services.

With the implementation of the Subsidy Scheme, connection to fibre-based network would be made available to over 200 villages which previously did not have such a service. Notwithstanding, some remotely located or sparsely populated areas, including some islands without sufficient electricity supply to support the operation of telecommunication facilities, are not included in the Scheme.