

Broadcasting Policy

I. Broadcasting Policies for the Multimedia Age

1. Approaches for the promotion of digital terrestrial broadcasting

It is crucial to shift terrestrial broadcasting, the most popular media for the Japanese people, to digital broadcasting at the earliest stage. In order to achieve the provision of diversified broadcasting services utilizing digital technology and enhancing the benefits of broadcasting, and the effective utilization of frequency resources, MPT is trying to create an environment for commencing the digital terrestrial broadcasting.

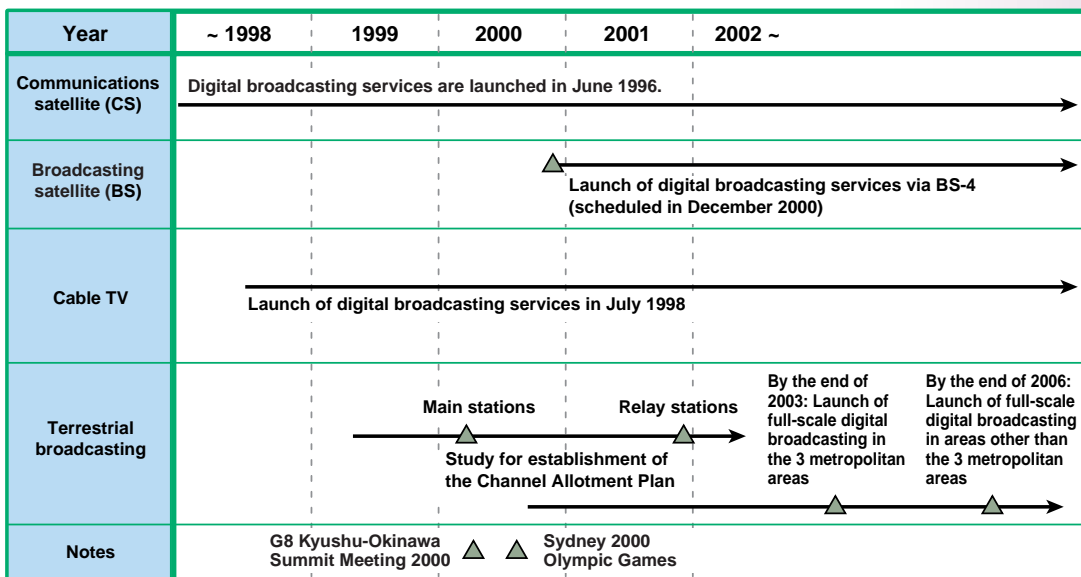
The "Advisory Committee on Digital Terrestrial Broadcasting" has been held since June 1997, and the Committee compiled its findings as a report in October 1998.

In the report, it is recommended that digital terrestrial TV broadcasting be introduced based on policies aiming for a total shift from existing analog broadcasting to digital broadcasting at the earliest stage. In the three major metropolitan areas of Kanto, Kinki and Chukyo (except independent UHF stations), the full-scale digital terrestrial TV broadcasting is to be commenced until 2003, in other locations (including independent UHF stations in the three metropolitan areas), the full-scale digital terrestrial TV broadcasting is expected to be commenced until the end of 2006.

In order that the digital terrestrial broadcasting will be commenced as early as possible in line with this schedule, MPT established the "Joint Study Committee Concerning Digi-

Fig. II-1 Schedule for digitalization of broadcasting

Japan commenced satellite digital multichannel broadcasting services in June 1996. With respect to digital terrestrial broadcasting, preparation of the necessary infrastructure will go forward with the aim of launching digital broadcasting in the 3 major metropolitan areas of Tokyo, Osaka and Nagoya by the end of 2003, and by the end of 2006 for other areas.



tal Terrestrial Broadcasting” in September 1999, aiming to promote joint study by MPT, Japan Broadcasting Corp. (NHK) and commercial broadcasters for frequency allocation to the digital broadcasting. In April 2000, the Joint Study Committee issued a study report on the broadcasting frequencies of main stations all over Japan, the number of households affected by the analog frequency changes before digital broadcasting starts and costs to deal with such effects. The Joint Study Committee will issue a report on frequencies for relay stations throughout Japan at the end of FY 2001.

MPT will further improve the environment for the digital terrestrial broadcasting.

2. Approaches for the diffusion of digital satellite broadcasting

MPT, with the aim at the diffusion of digital satellite broadcasting (Broadcasting Satellite [BS] broadcasting, Communications Satellite [CS] broadcasting), is making the following measures:

1) Approved BS digital data program-supplying broadcasters

As regards BS digital broadcasting, program-supplying broadcasters concerning high-definition TV, standard-definition TV and audio broadcasters were approved in October 1998. Regarding data broadcasting, the regulatory framework was created and the applications were accepted in October 1999, and the program-supplying broadcasters were approved in December 1999. Upon this, all kinds for program-supplying broadcasters of BS digital broadcasting were approved.

2) Promoting diffusion of BS digital broadcasting

BS digital broadcasting, starting from December 2000, is expected to create demands for TV receivers and to make short-term effects with the initiation of new broadcasting services, as well as to play an important role in promoting digitalization of broadcasting. Meanwhile, the BS

broadcasting is not well recognized by the public so far.

Therefore, in collaboration with the BS program-supplying broadcasters and other related industries, MPT set forth the diffusion target at 1,000 days after the start of the broadcasting as 10 million households, and made the following measures to promote diffusion:

- i) Conducting demonstrations of BS digital broadcasting; ii) promoting demonstration of BS digital broadcasting at public facilities; and, iii) other activities for diffusion and awareness campaign.

3) East longitude 110 degree CS digital broadcasting

In October 2000, a CS will be launched at east longitude 110 degree, the same orbit location as the BS. Related businesses are demanding the broadcasting utilizing the CS. If realized, it enables the reception of CS broadcasting by the same receivers and antennas with the BS digital broadcasting, resulting in the penetration of satellite digital broadcasting.

In January through February 2000, MPT invited public opinions, on entering the broadcasting business utilizing the CS at East longitude 110 degree. MPT will establish standardized technical requirements for CS and BS broadcasting, and prepare regulatory frameworks for broadcasting with the CS.

3. Promoting broadcast programming corresponding with the advancement of broadcasting

In order that viewers enjoy the merit of multichannel broadcasting with digitalization at its best, it is necessary that diversified programming be provided abundantly. MPT is creating the environment for such diversification at each level of production, distribution and archiving of broadcast programming.

1) Measures on the production of broadcast programming

- i) Next-generation intelligent

content broadcasting system development promotion initiatives

As one of “Innovative development of communications and broadcasting systems,” MPT entrusted the Telecommunications Advancement Organization of Japan (TAO) to conduct R&D activities on the content production and broadcasting system that contribute to achieving advanced broadcast content using digital technologies such as interactivity and virtual reality, and to creating an information barrier-free environment.

- ii) Wide area community information communications network model area initiatives (data broadcasting utilization system)

Among the joint projects of several local public bodies that create local information communications infrastructure utilizing data broadcasting in a wide area, MPT invites bodies whose data broadcasting utilization systems can be the models for other local public bodies, and entrusted such joint projects to the construction business of the models concerned.

- iii) Support for the digitalization of broadcast programming production facilities, etc.

Considering the further promotion of digital terrestrial TV broadcasting, MPT is granting tax incentives to broadcast programming production facilities concerned, zero or low interest loans through the Development Bank of Japan, etc. and the guaranteed obligation through TAO based on the “Advanced Television Broadcasting Facility Development Promotion Temporary Measures Law ” which came into force in November 1999.

2) Measures on distribution of broadcast programming

- i) Study group on providing distribution information of broadcast programming

The report released in July 1999 points out the importance of the study on the provision of information concerning copyright owners,

etc., of broadcast programming. The report also proposed, as a measure for providing broadcast programming distribution information, verification experiments concerning systems enabling information provision on broadcast programming distribution through intensive information provision channels.

- ii) Developing database management systems for the promotion of secondary use of broadcast programming

Currently, databases of broadcast programming are created independently by broadcasters. In the two-year plan from FY 1999, MPT is promoting the development for providing distribution information by creating shared database using such databases.

3) Measures on archives of broadcast programming

- i) Study group on archives of broadcast programming

The report issued in July 1999 treats broadcast programming as cultural and historical assets shared by Japanese nationals, which reflects its society, culture, arts and historical conditions of the time. The report positions public organizations such as the Broadcast Program Center as institutions securing systematically cultural and historical assets, and proposes the expansion, etc. of the scale of archives in harmony with the promotion of the secondary use.

- ii) Digitalization of program library network

MPT, through TAO, is promoting the digitalization of broadcast programming library that collect and archive broadcast programming, as well as promoting R&D of the systems connecting the library to the network and enabling the retrieval and browsing from a distance with high speed.

4) Measures for promoting next-generation broadcast content

Since February 2000, based on recent technological innovations and environmental changes, MPT had been sponsoring the Study Group on the Next-Generation Broadcast Con-

tent for studying the policies for creating an environment to provide a

number of diversified programming that meet user demands.

II. Technological Developments in Digitalization

1. Establishment of Digital Terrestrial Broadcasting System and Legislation of Technical Standards

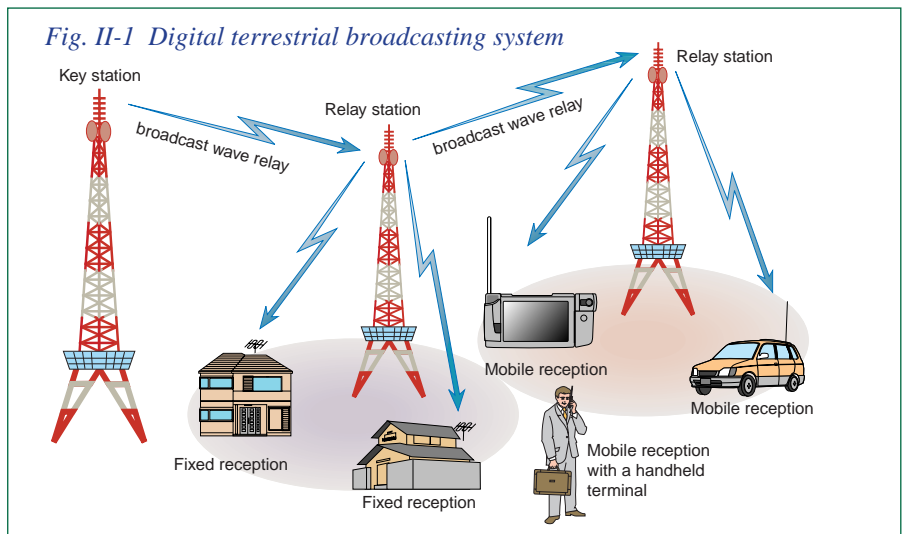
1) Outline

In May 1999, the Telecommunications Technology Council released a report on the technical requirements of the digital terrestrial broadcasting system. Based on this report, MPT inquired of the Radio Regulatory Council in September 1999 on the draft amendments to related ministerial ordinances in order to legislate the technical standards. In November 1999, the Radio Regulatory Council released a report that the draft is appropriate, and the technical standards were legislated in December 1999. By legislating technical standards as ministerial ordinances, it is expected that R&D on receivers compatible with the digital terrestrial TV broadcasting by manufacturers, etc. will be promoted, and the introduction of the broadcasting system will be smoothed. Legislating the technical standards are also expected to contribute to improving viewers' convenience

by enabling the use of the same receiver with other broadcasting media, to diversifying broadcasting services and to expanding the broadcasting market by advanced broadcasting services.

2) Advantages of digital terrestrial broadcasting system

- i) Enabling one channel of high-definition TV (HDTV) or multichannel broadcasting (around three channels with the quality of standard-definition TV [SDTV]) within the bandwidth of 6 MHz.
- ii) By realizing mobile reception with good quality, allowing broadcasting that temporarily combines programs for fixed and mobile/portable reception and enabling partial reception with portable terminals.
- iii) By employing the orthogonal frequency division multiplexing (OFDM) system which is highly resistant to interference by multipaths (delayed radio waves), efficient usage of frequency resources is available, for instance, by using the single frequency network



(SFN) system.

- vi) The system not only secures compatibility with other domestic digital broadcasting media but also can cope with advanced multimedia broadcasting to be realized through the convergence of communications and computers.

2. Establishment of Digital Terrestrial Sound Broadcasting System

1) Outline

Based on the provisional system compiled by the Telecommunications Technology Council in November 1998, at the experimental station established within Tokyo Tower, etc., field trials at actual scale were conducted, mainly on mobile reception characteristics. With the results of the field trials, deliberations were made in the Council, and the Council reported on the technical requirements of the finalized broadcasting system in November 1999.

MPT, based on the final report, is planning to adjust relevant ministerial ordinances, etc., in order to contribute to the creation of new broadcasters.

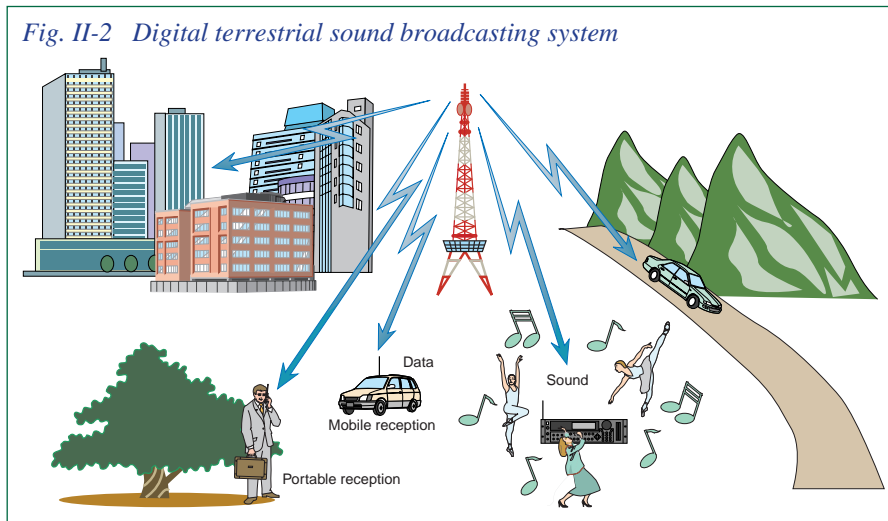
2) Advantages of digital terrestrial sound broadcasting system

- i) In addition to a high-quality stereo sound equivalent to CD, a variety of broadcast programming including data and still images are available.
- ii) Stable reception is available with a handheld or mobile terminal on highways and in office buildings, etc.
- iii) The compatibility with other digital broadcasting media is secured.

3. Establishment of extended CS digital DTH system

1) Outline

The BS digital broadcasting service will start in December 2000, and new CS will be launched at east longitude 110 degree, the same geostationary orbit as the BS. Now it is required that the CS digital DTH (Direct-To-



Home) system, for its further development, employ additionally the latest digital satellite broadcasting technology used by the BS digital broadcasting system. Under these circumstances, the Telecommunications Technology Council, from October 1999, deliberated on the extension of the CS digital DTH system, resulting in a report on technical requirements of the extended CS digital DTH system in consideration of media compatibility with the BS digital broadcasting system. Based on this report, the technical standards are inquired of the Radio Regulatory Council in May 2000, and other measures for introducing the service are being undertaken.

2) Advantages of the extended CS digital DTH system

- i) By employing highly efficient modulation method and transmission control signal, etc., realizing high-quality, multi-channel and high-functional broadcasting services will be available.
- ii) By employing the same transmission system as the BS digital broadcasting system, etc. A common receiver for the CS digital DTH and BS digital broadcasting services will be easily introduced.

4. Establishment of digital satellite sound broadcasting system

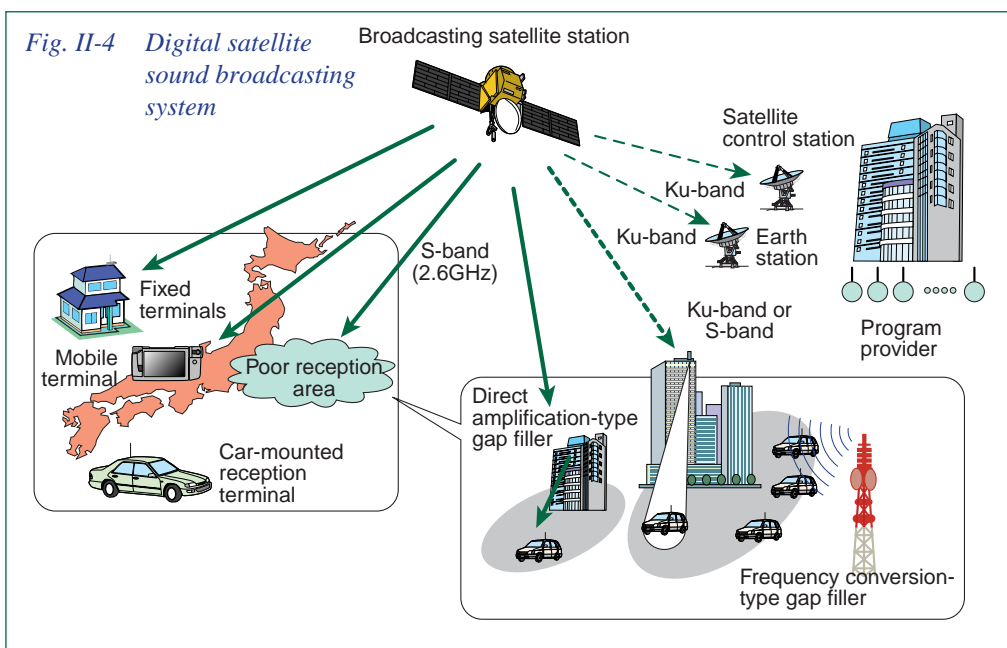
1) Outline

Based on the provisional system compiled by the Telecommunications Technology Council in June 1998, verification experiments on mobile reception were conducted, and the discussion was made at the Council resulting in the technical requirements of the finalized broadcasting system in July 1999.

With this broadcasting system, Japan's first "sound broadcasting services using satellite mainly for mobile terminals" can be provided. MPT is planning to prepare regulatory frameworks for realizing this service.

2) Advantages of satellite sound broadcasting

- i) With satellite and supplementary terrestrial radio equipment, the same broadcasting services are available throughout Japan.
- ii) By employing code division multiplex (CDM) system, stable and high-quality reception with mobile terminals is realized.
- iii) A variety of flexible broadcasting services including data broadcasting which comprising data (texts and images) are realized.



iv) By securing compatibility with other broadcasting media in an audio coding method, etc., the

distribution of programming and low-priced receivers are promoted.

III. Deregulation in Broadcasting

1. Vision of Cable TV Regulations

Since December 1993, MPT has been revising many regulations on cable TV to help enable cable TV to develop further, so as to become the core of the info-communications infrastructure in each region.

1) Abolition of local operator requirements (a franchise system restricting service areas) for cable TV operators

By abolishing the local operator requirement (which requires cable TV operators to have a basis in its service area), cable TV operators became able to expand their business over a wider area.

- A variety of capitals including trading companies are entering the cable TV market.
- Cable TV businesses covering multiple administrative districts are on the rise.
- MSOs (multiple system operators) started launching their

businesses.

2) Lifting of restrictions on foreign capital investment

Restrictions on foreign capital were eased from the previous 20% to one-third (December 1993).

Foreign executives were allowed to serve on management as far as they do not have the right to representation and the number of foreigners is less than one-third of all officers, including auditors (January 1997).

All limitations on foreign investment in cable TV operators which are running Type I telecommunications business were removed (February 1998).

At the amended Cable Television Broadcast Law came into force in June 1999, all restrictions on foreign capitals and foreign officers of a cable TV operator were abolished.

As a result, tie-ups with foreign cable TV operators and telecommunications carriers have been concluded actively.

3) Simplification of the application form for obtaining permission to install cable TV facilities

Simplifying the procedure for application for permission to install cable TV facilities (December 1993, December 1994 and April 1998)

Clarifying the examination standards for permission to install facilities and settling the standard processing period (October 1994)

4) Abolition of administrative instruction for mediating among businesses that have a cable TV operation plan in the same area (September 1994)

Promotion of cable TV services in areas where there is no cable TV service due to competition.

5) Shared use of head-end facilities (December 1997)

To promote digitalization in the entire cable TV industry, MPT allowed the shared use of head-end facilities among them.

6) Utilization of fiber-optic subscriber networks owned by telecommunications carriers (June 1998)

Cable TV operators were allowed to use fiber-optic subscriber networks (fiber-to-the-home: FTTH) owned by telecommunications business on conditions that the fair and effective competition is secured.

7) Using wireless networks for complementing cable TV network (September 1998)

Cable TV operators were allowed to distribute their programming from a base station to particular households using wireless networks, this being a method of complementing their cable networks in areas where cable-laying is virtually impossible due to geographical impediments.

8) Simplification of procedures for mergers, etc.

By the amendment of the Cable

Television Broadcast Law, which came into force in June 1999, proce-

dures for mergers, etc. of cable TV operators were simplified.

IV. Protecting Viewers and Listeners

1. Report of the "Panel of Experts on Young People and Broadcasting"

From May through December 1998, the "Study Group for Research on Young People and Broadcasting" was hosted by MPT, for the purpose of studying basic attitudes and policies on young people and broadcasting. The final report, proposing measures for young people in broadcasting was compiled in December 1998.

Upon reception of the report, MPT sponsored the "Panel of Experts on Young People and Broadcasting" from January to June 1999, in collaboration with NHK (Nihon Hoso Kyokai: or Japan Broadcasting Corp.) and the National Association of Commercial Broadcasters in Japan

(NAB), for exchanging diversified opinions on the measures to implement the proposals of the Study Group. Based on these discussions, MPT and the broadcasters presented following concrete measures on the youth problems in the Panel's final report in June 1999: i) broadcast programming for youths more than three hours a week (private broadcasters); ii) holding the Study Group on Young People and Media Literacy; iii) establishing the "Broadcasters Council for Youth Programming," a voluntary organization of broadcasters; iv) setting the hours to consider young viewers (17:00 - 21:00) (commercial broadcasters); and, v) improving program information provision through PR programs, etc.

V. Measures for the Elderly and People with Disabilities

1. Improvement of broadcast programming for people with visual and hearing disabilities

At correcting the "information divide," it is an important task to improve broadcasting for people with visual and hearing disabilities. MPT is conducting measures for promoting the improvement of programming with closed-captions, narrated explanations and sign languages, which are indispensable for people with visual and hearing disabilities to enjoy TV programming.

1) Promoting the creation of programming with closed-captions and narrated explanations

Based on the "Law for Promoting Businesses that Facilitate the Use of Communications and Broadcast Services by the People with Disabilities," MPT, through TAO, is subsidizing programming suppliers who

produce programming with closed-captions, etc., up to the half of the expenses, from FY1993. In FY1999, the subsidy system was expanded by subsidizing all the programming with closed-captions, explanations and sign languages, and the budget was also increased widely.

2) R&D on programming creation

technologies for people with visual and hearing disabilities

From FYs 1996 through 2000, MPT is conducting R&D on systems that automatically create and attach closed-captions for TV broadcast programming whose content is easy to be summarized, and all of whose voiced content is scripted (such as news and information programs). From now on, setting FY 2003 as the target year, it will be pursued to realize a system automatically attaches closed-captions to most recorded programs in a short time, even if the programs lack scripts.

3) Constructing broadcast programming creation facilities for sight and hearing handicaps

Along with the development in multimedia and multichannel broadcasting, demands for broadcasting toward people with visual and hearing disabilities are increasing. Taking this into consideration, a support system was created in FY 1997 to grant low-interest loans through the Development Bank of Japan, etc. The system aims at programming suppliers who prepare broadcast programming production facilities toward people with visual and hearing disabilities, for the purpose of providing broadcast programming for channels dedicated to such people, and businesses who prepare broadcast programming production and transmission facilities as well as wireless facilities that are necessary to conduct teletext broadcasting.

VI. Policy Measures for Internationalization

1. "Asian TV Program Conference and Exhibition 2000"

Along with the use of satellites, the international TV broadcasting is rapidly developing in the Asia-Pacific region. In order that the international TV broadcasting plays an essential role in promoting international exchange and mutual understanding among Asian countries, in

addition to transmission of TV programming from Japan, it is required to create conditions that facilitate exchanges of TV broadcast programming (transmission, reception and distribution). This becomes the mission of broadcasting administration.

Since FY 1995, MPT has held the "Asian TV Program Co-production Workshop" four times, inviting participants from Asian broadcasters.

In March 2000, by inviting representatives from broadcasting administrations and broadcasters in 11 countries, MPT sponsored the “Asian TV Program Conference and Exhibition 2000,” which adopted a statement for TV programming exchange and agreed to construct information exchange networks.

Summary of the Statement of Asian TV Program Conference for Government Officials Only

1) Taking their ethnic identity into account as a precondition, the regional exchange of information is important in that each Asian country accomplishes development in its economy and culture.

For this purpose, it is worthwhile for each country to receive TV programs from other countries and to mutually exchange TV programs as

well as to distribute domestic TV programs to other countries.

It is important for governments to implement measures concerning the exchange and distribution of TV programs, especially for children, education and culture, because the exchange and distribution of these kinds of programs are not at a sufficient level on a commercial basis.

2) For a distribution of TV programs in the Asian region, it is important that the broadcasters concerned respect social, cultural and traditional values of other countries in the region.

3) The following measures are effective for facilitating distribution of TV programs:

- Broadcasters in Asian countries voluntarily exchange programs with each others and provide more opportunities to broadcast foreign TV programs.
- The governments and broadcasters increase opportunities (e.g., exhibitions) for watching foreign TV programs by people in Asian countries.
- Broadcasters in Asian countries promote the co-production of TV programs and accumulate know-how for international exchanges of TV programs
- The governments adopt policies concerning the promotion

of TV programs exchanges among Asian countries.

4) To promote the exchange of views and information among Asian countries to establish networks:

- The availability of TV programs for export from each country.
- Categories and items of TV programs requested by each country.
- Respect for foreign cultures and customs.
- Quality assessment of foreign TV programs.
- Using the strength of individual countries to generate participation.

2. Promotion of Broadcast Program Exchange

1) Purpose

Developing countries with insufficient program production capacity need foreign programs with high quality.

As part of Japan’s effort for contributing to the broadcasting industry in developing countries, MPT is promoting a project granting subsidies for providing high-quality Japanese educational programs for developing countries.

2) Outlines of the policies

MPT is providing subsidies to the Japan Media Communications Center, a foundation providing Japanese broadcast programs to foreign coun-

Fig. VI-1

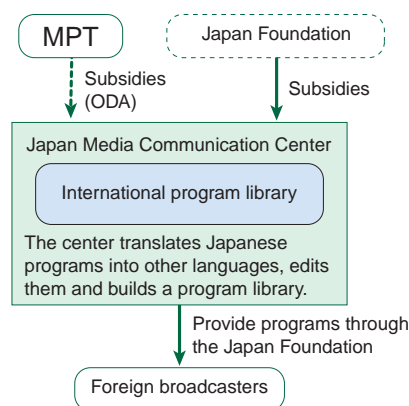
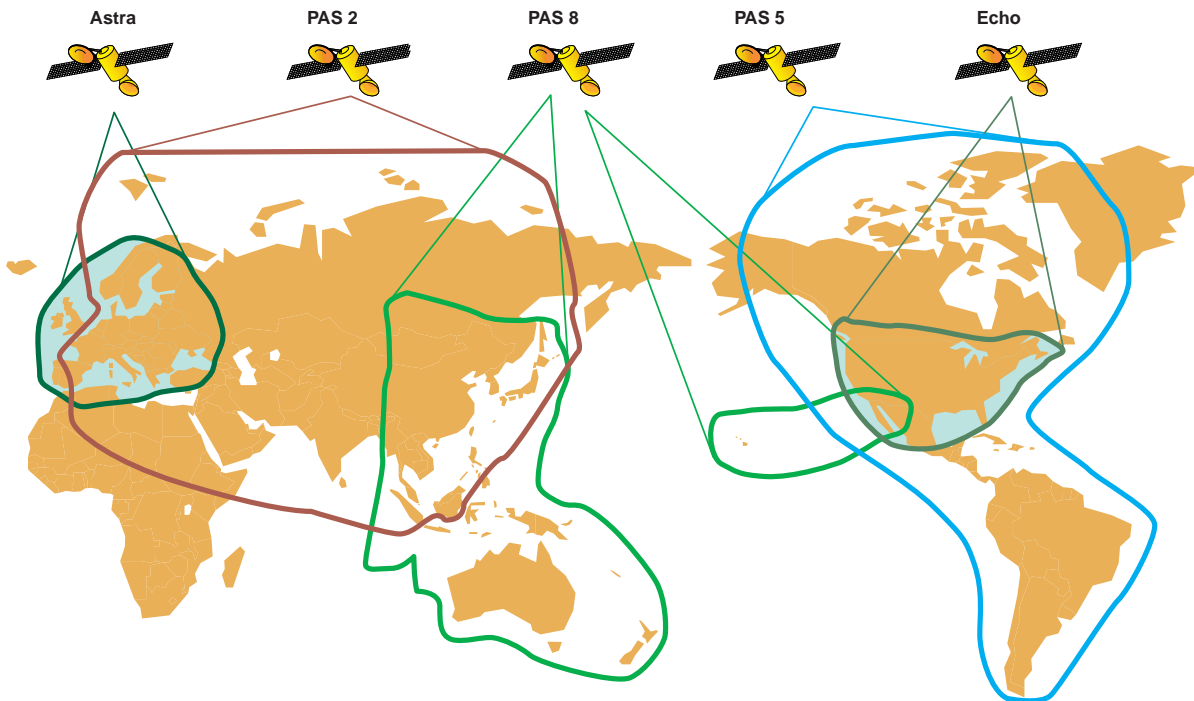


Table VI-1 Program distribution

Broadcaster	Nippon Television Network	TBS	Fuji TV	Japan Entertainment TV (JETTV)	NHK
Footprint	Korea, Hawaii, Singapore, Taiwan, Guam, Indonesia, Saipan, Hong Kong, Malaysia and the Philippines	Taiwan, Korea, Hong Kong	USA, Europe, the Philippines	Taiwan	Almost the entire world
Satellite	PAS-8	PAS-2	Optical cable, PAS-8	JCSAT-3	PAS-8, PAS-4, PAS-5
Hours	2 hours per day (weekdays) and baseball match	About 10 min. per day	4 - 5 hours per day and baseball match	Around-the-clock	Around-the-clock
Launch of service	April 1999	July 1999	April 1998	March 1997	April 1995
Target	Broadcasters, cable TV, hotels	Broadcasters, cable TV	Broadcasters, cable TV	Broadcasters, cable TV	Broadcasters, cable TV
Type	Programming	News materials	Programming	Programming	Programming
Content	Professional baseball game, news and information	News	News, entertainment and professional baseball game	Entertainment	General

Fig. VI-2 International TV Broadcasting (NHK)



tries, to partially cover the foundation's costs for translating and editing educational programs that are sent to developing countries.

3) Achievements

- Number of programs stored in the library: 860
- Number of programs provided: 2,743
- Number of countries provided with programs: 57 (Accumulated figure: 93) (As of the end of March 2000)
- Total subsidies from MPT Between FYs 1991 and 1999
- Total of actual amount: 895 million yen
- FY 2000 budget: 81 million yen

3. Current status of international TV and radio broadcasting

Along with rapid globalization of information transmission, it has become more important to gain foreigners' understanding and trust to Japan, as well as to provide information necessary for Japanese nationals in foreign countries. It is required to continuously transmit in-

formation on Japanese culture and society, and positions and propositions of Japan to the international society, as well as to provide information concerning security of each region and entertainment programs. Strengthening and promoting international broadcasting is one of the goals of broadcasting administration.

1) International TV broadcasting

The international TV broadcasting conducted by the NHK (NHK World TV), using PanAmSat satellites (PAS-8, PAS-4, PAS-5), Astra satellite and Echo satellite, covers almost the entire world. In October 1999, 24-hour broadcasting was started.

In addition to news programs, Japanese-language education programs were started, and the air time of broadcasting in English were expanded.

2) Distribution of TV programming and video materials to abroad

Commercial broadcasters, etc. are distributing broadcast programming, news materials and sports programs to foreign broadcasters, cable TV, hotels and business offices, using satellite communications and

fiber-optic communications circuits. NHK, using PanAmSat satellites, is distributing to foreign broadcasters, cable TV operators, etc.

In particular, the program distribution to Asia region is constantly increasing in the number of programming providers, air time and countries.

3) International shortwave broadcasting

In international sound broadcasting by shortwave, the ordered broadcasting in accordance with the provisions of the Broadcast Law was provided to all the world and 17 regions using 22 languages, carrying reports and analyses concerning the state's important policies and the government's view on international issues. The ordered broadcasting, combined with voluntary broadcasting of NHK, the sum of broadcast hours of the voluntary broadcast and the ordered broadcast in FY 1999 was 65 hours a day. In FY1999, 1.9 billion yen was granted from the Japanese government to NHK as the cost for the ordered broadcasting.