

MPHPT

February 4, 2003, Vol. 13, No. 19 and 20

Please feel free to use the articles in this publication, with proper credits

COMMUNICATIONS NEWS

Biweekly Newsletter of the Ministry of Public Management, Home Affairs, Posts and Telecommunications, Japan

Results of the Asia-Pacific Regional Conference for the World Summit on the Information Society (WSIS)

From January 13 through 15, 2003, the Asia-Pacific Regional Conference for the World Summit on the Information Society (WSIS) was convened in Tokyo.

WSIS will be a United Nations event in two phases, with the first phase to be held from December 10 to 12, 2003, in Geneva, Switzerland and the second in 2005 in Tunis, Tunisia. The anticipated outcome of the Summit is to develop a shared vision and a better understanding concerning the "Information Society," and formulate a "clear statement of political will" and a "concrete plan of action" in order to achieve the goals of the Information Society, in a coordinated manner. As part of the WSIS prepara-

tory process, this Conference was held in the Asia-Pacific region.

At this Conference, about 600 people attended including government officials from the member states of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), executives from relevant international organizations, business entities, NPOs, etc. Statements were given by Mr. KOIZUMI Junichiro, Prime Minister and Mr. KATAYAMA, MPHPT Minister (Japan), as well as about 60 represen-

tatives and executives, including ministers, government officials, business entities, NPOs, etc. from 10 Asian countries/economies. Panel discussions were also held. Upon closing, the "Tokyo Declaration" was adopted as an outcome of this Conference.

(<http://www.wsis-japan.jp/documents/>)

CONTENTS

- Results of the Asia-Pacific Regional Conference for the World Summit on the Information Society (WSIS) ----- 1
- Joint Statement with Malaysia and Memorandum with Thailand ----- 2
- First Report of the "Study Group on Policies Concerning the Effective Radio Spectrum Use" Announced -- 3
- Final Report of "Study Group Concerning Satellite Broadcasting" Announced----- 5
- Regular Personnel Changes ----- 6



International Policy Division,
International Affairs Department,
Ministry of Public Management, Home
Affairs, Posts and Telecommunications
1-2, Kasumigaseki 2-chome,
Chiyoda-ku, Tokyo 100-8926, Japan

- We welcome your comments via:
feedback-newsletter@soumu.go.jp
Fax: +81-3-5253-5924
Tel.: +81-3-5253-5920
- MPHPT information is available at:
<http://www.joho.soumu.go.jp/eng/>

[tokyo_declaration.html](#))

This Tokyo Declaration comprises three pillars, namely i) Ensuring ubiquitous networks under diversity, ii) Efficacy and significance of broadband and

iii) Active participation by international organizations, the private sector, NGOs, etc. together with governments; the priority areas for action by the Asia-Pacific region will be based on this. This Dec-

laration will be submitted as a contribution to WSIS so as to be reflected in deliberations at WSIS.

Joint Statement with Malaysia and Memorandum with Thailand

Malaysia

On the afternoon of January 14, 2003, Minister KATAYAMA Toranosuke held a meeting with Mr. Datuk Amar Leo Moggie, Minister of Energy, Communications and Multimedia of Malaysia, who visited Japan for attending the Asia-Pacific Regional Conference on the World Summit on the Information Society, and his staff. At the meeting, Minister Leo Moggie expressed thanks to Japan for cooperation to date and expectations for further support; both ministers then exchanged information on the current status and future plans of the two countries as well as opinions thereon. In particular, Minister Leo Moggie emphasized the steady progress of the Multimedia Super Corridor under the strong leadership of Prime Minister Mahathir

Mohamad. After reaching consensus as to the advancement of both countries' mutual collaboration in the ICT field, the two ministers announced a joint statement.

Thailand

On the afternoon of January 14, 2003, Minister KATAYAMA held a meeting with Mr. Surapong Suebwonglee, Minister of Information, Communications and Technology, who visited Japan to attend the Asia-Pacific Regional Conference on the World Summit on the Information Society, together with his staff. At the meeting, Minister Surapong expressed hopes for cooperation on R&D of machine translation and the Asia Broadband Program; both ministers then exchanged opinions on these topics.

The Japanese side asked the Thai side questions regarding the role of the newly-established Ministry of Information and Communications Technology, the current status of privatization of telecommunications operating bodies and liberalization of the ICT field; opinion exchanges by both sides followed.

In addition, the two ministers concluded a memorandum to confirm both countries' mutual cooperation on ICT. This memorandum states that the two countries will make efforts to promote information exchanges on ICT policies as well as on regulatory frameworks and to implement projects together, including joint research initiatives for promoting broadband platforms.



First Report of the "Study Group on Policies Concerning the Effective Radio Spectrum Use" Announced

In recent years, as the shortage of assignable radio spectrums has become a serious matter, a new demand for radio spectrums tends to require many spectrums and broader bandwidths. In order to adequately meet such a new demand for radio spectrums without delay, MPHPT has been holding the "Study Group on Policies Concerning the Effective Radio Spectrum Use" since January 2002, with the purpose of considering new policies concerning the effective radio spectrum use, including measures for implementing swift reallocation of radio spectrums and further promoting technological innovations. After a series of meetings, on December 25, 2002, the Study Group compiled its findings as the first report and announced thereof.

This first report was originally announced as the draft of the final report of the Study Group for inviting public comments. Many comments were sent to MPHPT, concerning the following two points:

- i) Desirable cost-sharing where the reallocation of radio spectrums is swiftly implemented accompanied by benefits for radio stations requiring no license, and
- ii) Desirable Spectrum User Fee System.

At the Study Group, many and different opinions were also presented on these issues. Thus, the Study Group decided to continue deliberations on these issues. Accordingly, this report became the first report.

The outline of this Report is as follows:

1. Policy for reallocating radio spectrums

Under the existing reallocation scheme of radio spectrums, a 10-year preparatory period is set forth from the formulation of a reallocation plan to the request to licensees for terminating use of radio spectrums in question, and alternative spectrums are ensured before

implementing the reallocation. Henceforth, however, in order to swiftly meet a new demand for radio spectrums, there would be cases where reallocation is to be implemented within a short period of time, e.g., three years, or where licensees are requested to shift to fiber-optic cables instead of alternative radio spectrums.



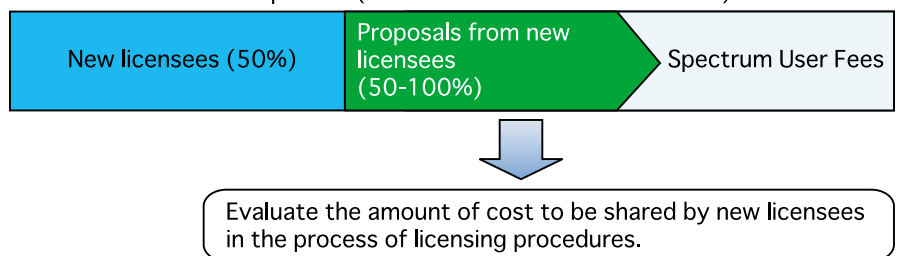
In these cases, introduction of a benefits scheme was proposed for licensees who shoulder losses.

- (1) Formulation of reallocation plan
 - i) Through utilization of the scheme for conducting survey, etc. on actual radio spectrum usage and publicizing the results thereof, a radio spectrum reallocation plan shall be formulated.
 - ii) In cases where public interest which is high requires new radio spectrums to meet demand for wireless access, etc., a new scheme shall be established for enabling reallocation, even within the valid license term (in principle, five years) of existing radio stations.

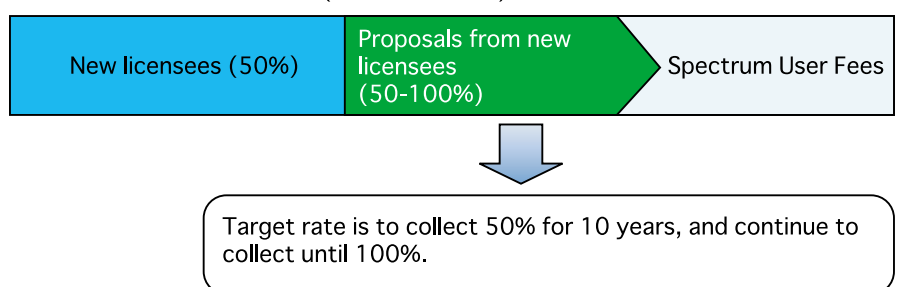
- (2) Introduction of benefits scheme
 - i) It is appropriate that, within a five-year preparatory period of time from the formulation of a radio spectrum reallocation plan, a benefits scheme under which the government mainly compensates to licensees a portion of remaining book value and dismantlement cost of facilities, etc., is to be introduced.
 - ii) It is appropriate that costs for acquisition of new facilities and operating losses shall not be included in basic factors for calculation.
- (3) Desirable cost-sharing pertaining to benefits scheme
 - i) It is appropriate that the Spectrum User Fees be allocated to cover costs for the reallocation, and it is appropriate to require new licensees who use reallocated radio spectrums to shoulder the reallocation cost of at least 50% or more.
 - ii) It is appropriate that i) the reallocation cost is to be covered temporarily by the Spectrum User Fees, then ii) the cost may be recovered with the new licensees as the additional Spectrum User Fees.

[Way of cost sharing by new licensees]

<In cases of cellular telephones (the number of entries are limited)>



<In cases of wireless access (entries are free)>



- (4) Desirable cost sharing for radio stations requiring no license
- i) Henceforth, it is appropriate that a benefits scheme be utilized in order to meet a new demand for radio stations requiring no license, such as ICT consumer electronics and wireless LANs, and to swiftly ensure a specified range of radio spectrums.
 - ii) In this case, consideration shall be made on the issue that even users of radio stations requiring no license be requested to shoulder said cost because they enjoy benefit from the reallocation.
 - iii) Since radio stations requiring no license, however, do not need to file notification, the problem is how to collect such a fee. As regards this problem, there would be two methods, namely, i) to request telecommunications carriers, etc. to pay the cost and ii) to request manufacturers, etc. to pay the cost. Considering public comments, etc. concerning the first report, this Study Group shall continue to consider these two as well as other possible methods.

2. Desirable licensing procedures

Introduction of auction systems into licensing procedures contains a risk of seriously hindering effective use of radio spectrums, such as extremely high bidding prices in European countries.



From the viewpoints of ensuring further transparency, fairness in licensing procedures and enhancing effective use of radio spectrums, new alternative licensing procedures are proposed instead of auction systems.

- (1) Auction system for radio spectrums
- i) Once bidding prices go too high, auction systems for radio spectrums will cause the following problems:
 - Services will be delayed/withdrawn, the population coverage rate will be sacrificed.
 - As a result, the ICT industry, a national leading/strategic industry, will go into a decline.
 - Allocation of radio spectrums will be entrenched, because the valid

term of license tends to be set at around 20 years.

Auction systems contain a risk of seriously hindering effective use of radio spectrums.

- ii) Accordingly, from the viewpoint of promoting effective use of radio spectrums, other possible measures instead of auction systems are to be considered.
- (2) Proposal concerning new licensing procedures
- i) It is appropriate that while making use of advantages of market principles, effective use of radio spectrums be encouraged, through introduction of a licensing system incorporating the following assessment items in the process of comparative examination, in addition to appropriateness of business plans (comparative examination system utilizing market principles):
 - A portion within the amount of the radio spectrum reallocation cost to be shared by new licensees
 - Expansion plans of service areas (i.e., facilities investment

amounts, etc.)

- ii) It is appropriate to ensure transparency, fairness, promptness, etc. in licensing procedures by publication of figures concerning assessment items prior to the assessment.

3. Deregulation on Experimental Radio Stations

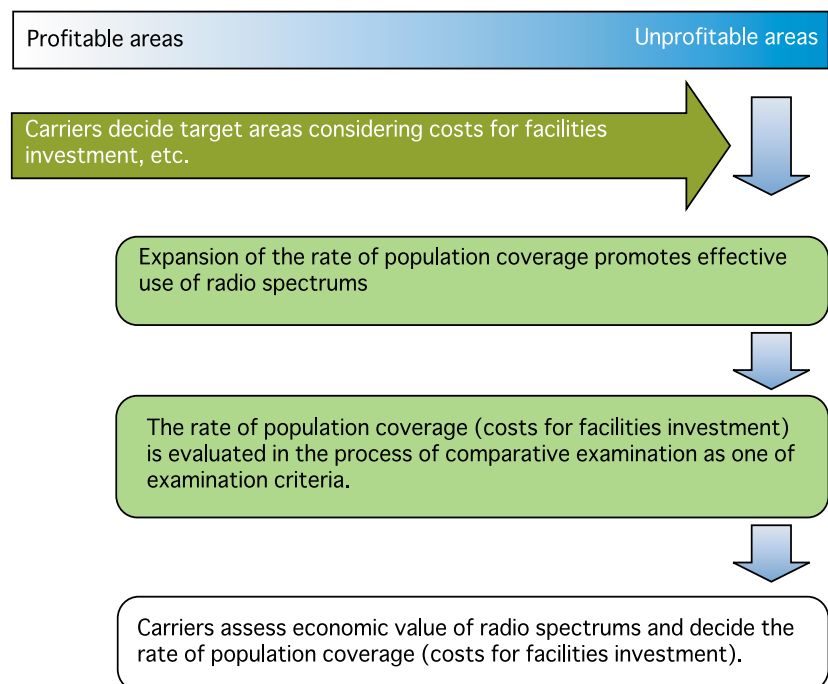
With respect to "short-term" experimental radio stations, for which the areas of experiments and frequency bands are specified and the valid term of licenses is around one year, it is appropriate that the licensing procedures for said radio stations be drastically deregulated.

4. Remaining issues to be considered

This Study Group shall continue to consider the following items, taking into consideration various public comments on this report:

- i) Desirable Spectrum User Fees
- ii) Desirable cost-sharing for radio stations requiring no license

[Relationship between economic value of radio spectrums and the rate of population coverage]



Final Report of "Study Group Concerning Satellite Broadcasting" Announced

Since March 2002, MPHPT has been holding the "Study Group Concerning Satellite Broadcasting" (Chair: TAGAYA Kazuteru, Vice-President for Education of Chiba University) for deliberating upon satellite broadcasting in the future and promotion measures in the meantime. On December 25, 2002, the Study Group compiled its findings as the final report, "Final Report: On Desirable Satellite Broadcasting in the Future."

The outline of the final report is as follows:

Introduction

This report centers on development trends and challenges of Japan's satellite broadcasting for the next five to 10 years.

1. Environment surrounding satellite broadcasting in the future

- (1) Trends in technological development and assignable frequencies: Technological differences between BS and CS satellite broadcasting have been shrinking. Effective use of frequency bands is in progress thanks to digital technology. Commercial use of 21-GHz band, etc. will be realized after the next decade.
- (2) Trends in content provision: The number of content to be provided has a limit. Prices of attractive content tend to go up. Thus, attractive content shall be shared for multi-use.
- (3) Trends in viewer preference and advertisement market: Along with increased number of channels, satellite broadcasting shall make use of comparative advantages over the terrestrial broadcasting. The number of paid subscribers will reach a ceiling. Even in cases of being free of charge, it is noted that the size of the advertisement market may not surpass certain limits.

2. Desirable satellite broadcasting in the future

- (1) Direction of development of satellite broadcasting: Innovative and high-

quality broadcasting services shall be provided, such as attractive content and increased provision of Hi-Vision broadcasting programming. On the other hand, "confidence building" and "easy-to-understand," etc. shall also be pursued.

- (2) Roles and positions of satellite broadcasting as a whole: Since roles of satellite broadcasting are significant in building an ICT society unique to Japan, satellite broadcasting shall, in keeping pace with terrestrial broadcasting, be developed in a well-harmonized manner. Satellite broadcasting will be positioned as quasi-core broadcasting media providing nationwide broadcasting services or specialized broadcasting media providing multiple channels, and leading broadcasting in digitalization.

- (3) Positions of each satellite broadcasting: In the long term, differences between each satellite broadcasting will be lessened. For the time being, the differences are as follows:

- i) BS digital broadcasting: Direction toward quasi-core broadcasting. Roles for leading terrestrial broadcasting to digitalization are significant.
- ii) CS digital broadcasting: Direction toward specialized broadcasting media providing multiple channels. CS digital broadcasting will develop as media providing multifaceted and diversified content.
- iii) The 110 degrees east longitude CS digital broadcasting: Intermediate media between BS and CS. The 110 degrees east longitude CS digital broadcasting is largely dependent on diffusion of BS broadcasting.

3. Challenges for diffusing satellite broadcasting in the future

- (1) Challenges in BS digital broadcasting: BS analog broadcasting will be terminated by 2011. Necessary envi-

ronments shall be created for enabling provision of more diversified services through use of advantages of digital broadcasting.

- (2) Challenges in CS digital broadcasting: In order to diffuse and develop CS digital broadcasting, it is vital to hold a forum for consultation among stakeholders. Some guidelines shall be developed and announced concerning services of platform providers.
- (3) The 110 degrees east longitude CS digital broadcasting: It is essential to make the 110 degrees east longitude CS digital broadcasting convenient and easy-to-understand for viewers. Relevant businesses shall make concerted efforts to provide viewers who intend to purchase hybrid tuners with information and to conduct public awareness campaigns.
- (4) Challenges from the standpoint of Japanese viewers: It is crucial to provide viewers with information on the termination of BS analog broadcasting. It is anticipated that wireless antenna system will be put into commercial use at an early stage for improving reception environments at condominiums and housing complexes. Measures shall be taken, considering expectations for services acceptable for a wide range of viewers including the elderly.

In conclusion

In order to diffuse and develop satellite broadcasting, the public sector shall indicate future directions and create a legal scheme. The private sector shall provide attractive services and products. Both the private and public sectors shall make concerted efforts to conduct public awareness campaigns on important issues. Such efforts shall be actively made.

Regular Personnel Changes

On January 17, 2003, regular personnel changes were made. In relation to the information and communications field, the following persons assumed new posts:

Vice-Minister for Policy Coordination: Mr. NABEKURA Shinichi
Director-General, Telecommunications Bureau: Mr. ARITOMI Kan'ichiro
Director-General, International Affairs Department: Mr. ISHIDA Naohiro